

No. 768 per "Lafonia" via Montevideo 23/4/35.

F E E C I X S

1. Confirms enclosures per "Loreto"; acknowledges receipt of your No. 1382.
2. Encloses extract from "Lafonia" log and survey report on damage sustained to Port Howard Jetty. Claims for repairs follows.
3. ~~"Lafonia"~~ ^{"Lafonia"} - advises progress of delivery of timber. 35.
"Lafonia" sailed for Magellanes 12th instant to lift what timber was ready, also 100 tons Coronel coal. 768.
4. Mutton hams - information passed on to Camp Manager. 5 barrels hams purchased by South Georgia Whaling Co. also 100 carcasses mutton. "Lafonia" brought from South Georgia 150 tons steam coal for stock, 200 drums for Darwin and 5 tons guano (stock).
5. Store retail prices - draws your attention to statement sent you which covers a period of 2 years and up to 12 months.
6. William ~~Wickham~~ ^{Wickham}, deceased - enclosed letters of Administration and our account for fees, probate duty etc. received per
7. Steamer movements - s.s. "Lafonia".
P.S.N.C. - advises cancellation of proposed call of m.v. "Lautaro" homewards now cancelled.
8. Estate J.J. Felton - encloses Deed appointing Mrs Packe a Trustee.
9. Estate L. Williams - encloses correspondence with Government re an alleged refusal on your part to ship their cargo per "Almanzora". Claims will
10. Labour - advises paying off of 50 Government labourers on 27th ulto. Encloses extracts from 'Penguin' regarding Unemployment Relief. 26 labourers from South Georgia returned per "Lafonia" 12th instant.
11. Advises H.E. the Governor toured the Colony in s.s. "Lafonia", Voy. D 8. Letter received from Colonial Secretary expressing His Excellency's pleasure with tour and appreciation of comfort and service on board. that 4,000 posts and 15,000 super
12. Mr T.W. Campbell will make Stores tour voyage - D. 12. and promised
13. Understand Messrs. Dean Bros. shipped 50 bales wool per s/s "Araucano" paying £7. 10. -. per ton through freight.
14. Cash - do not anticipate will require a remittance before end of July.
15. Stanley Office - Mr D.M. Honeyman commenced in Manager's Office 15th inst. Mr M.G. Creech goes to Darwin early May. The
16. Advises Messrs. F.G. Langdon & B. Elliott proceed on leave this "Lafonia".
17. Advises other passengers by this opportunity. to the South Georgia
18. Encloses copy of correspondence with Government regarding proposed alterations to cabin accommodation of s.s. "Lafonia".
19. F. & D. Sealing Co. Ltd. - 1935 Expedition - advises position fully.
20. Encloses Wages Comparative Statement No. 13. then with 100 carcasses
21. Encloses copy of correspondence with Government re shipment of "Discovery" motor launch from South Georgia.
22. Encloses correspondence with Government re use of Navy Point as an animal Quarantine Station.
23. "LAFONIA"/"FALELAND" claim being sent to Mr Young.

No. 768 per "Lafonia" 23/4/35. - 3 -

"Lafonia" brought back 150 tons of steam coal for stocks, 200 empty drums for Darwin (the Camp Manager having found it necessary to increase his requirements beyond the 200 containers sent from Stanley in March) and 5 tons of whale guano for Store.

"LAFONIA" via Montevideo.

23rd April, 35.

768.

Sir,

I confirm sending by m.v. "Loreto", 12th March, an envelope containing Remarks on Accounts, Store Indent and Remarks on Stores, and Produce specifications, without a covering Despatch. I acknowledge receipt of your No. 1382 of 22nd February, received per "Lafonia" on 22nd March.

2. 1382. 4. "LAFONIA" - DAMAGE TO JETTY AT PORT HOWARD.

Extract of Log and Survey Report by our Foreman Carpenter are enclosed. The timber and bolts have been ordered in Store Indent No. 732, and the spikes can be supplied locally. Claim will follow on receipt of invoices for the material ordered.

3. 1382. 5. S.S. "FALKLAND" - TIMBER. In spite of repeated requests for advice as to how deliveries of the £1,200 worth of timber (vide our 767. 16) were progressing, Dick & Bravo only advised us on the 12th April that 4,000 posts and 18,000 super feet of timber were then ready, but that Messrs. Jacobs had promised completion by the end of April. "Lafonia" left for Magallanes on 14th April to take what timber she found ready, and to take 100 tons of Coronel coal.

4. She arrived at Stanley on the evening of 12th April with the 26

4. 1382. 12 & 13. MUTTON HAMS - SOUTH GEORGIA. The

information was passed on to the Camp Manager, Darwin (to discharge

On the April voyage to South Georgia the South Georgia Company purchased only 5 barrels of these hams (which they had ordered) although we had shipped 3 more in case they might wish to increase their purchase. We also supplied them with 100 carcasses of mutton.

THE MANAGING DIRECTOR,

LONDON.

No. 768 per "Lafonia". 23/4/35. - 2 -

"Lafonia" brought back 150 tons of steam coal for stocks, 200 empty drums for Darwin (the Camp Manager having found it necessary to increase his requirements beyond the 200 containers sent from Stanley in March) and 5 tons of whale guano for Store stock. guarantee a minimum of 5 passengers, the offer was open until the 5. 1382. 15. STORE RETAIL PRICES. If likely to be referred to for purposes of record, please note that the reductions shown in the Statement covered a period of 2 years (January 1933 to December 1934) and not 12 months as noted in your Despatch.

Enc. the 6. Mr WILLIAM STICKNEY. In accordance with an instruction from Mr. Young, 26th February, Letters of Administration are enclosed herewith, together with account for Probate Duty and fees.

Enc. cargo 7. STEAMER MOVEMENTS. "Lafonia" arrived from Montevideo on 22nd March and discharged her cargo. She left Stanley on 24th March on voyage D 8, and in addition to the Ports shown in the Itinerary sent you (our 767. 37) she called at Roy Cove for a family and furniture, disembarked Mrs Napier and family at West Point Island, and picked up a passenger at Pebble Island. She was unable to discharge cargo at Salvador and Pincon Grande, and arrived back in Stanley 1st April.

10. She left at 4 a.m. 2nd April for Darwin, to pick up mutton hams and two urgent medical cases (children); the children and parents were transferred to S.T. "Kelp" in Port William about 8 p.m. the same day and "Lafonia" proceeded to South Georgia arriving there a.m. (6th April). In addition to what is mentioned in para. 4, she arrived at Stanley on the evening of 12th April with the 26 labourers from South Georgia for the season.

returned She sailed daylight of 14th April for Darwin (to discharge the drums) and Magallanes; she will call at Hill Cove on the way back, to enter and discharge such timber as she may have for there, and then, if time permits, at San Salvador to discharge the cargo for Salvador and Pincon Grande not landed on D 8 and also such timber as she may have for Salvador. toured the Colony in c.s.

"Lafonia" She should leave 24th/25th for Montevideo via Fitzroy North and South, North Arm, Speedwell Island and Foxbay, picking up passengers and produce.

"Lafonia" P.S.N.C. In telegrams exchanged with Valparaiso we were offered a call of m.v. "Lantaro" homewards in early May provided we could guarantee a minimum of 5 passengers; the offer was open until the end of March. We duly advertised this, but secured no bookings, and the call will consequently not be made.

Enc. 8. J.J. FELTON'S ESTATE. Referring to your letter of 22nd February the Deed referred to, appointing Mrs Packe a Trustee of the Estate, is enclosed. I am also replying formally to the letter.

Enc. 9. ESTATE LOUIS WILLIAMS. Correspondence with the Colonial Government regarding an alleged refusal on your part to accept cargo for "Almanzora" from the Dunlop Rubber Co. is enclosed. Estate Williams' action in forwarding their complaint through Government channels is discourteous, and we are rather surprised that the Government allowed itself to act as a buffer without, presumably, satisfying themselves that Estate Williams had first made unsuccessful representations to us. We have refrained, however, from commenting on this in our reply.

Kindly let us have your advice.

Enc. 10. LABOUR AND UNEMPLOYMENT RELIEF. On 13th March some 50 men employed on the "relief" works were given 14 days notice to quit and were paid off on 27th March. An Unemployment Relief Committee was set up and the scale of relief was published on 26th March (See extracts from 'Penguin' of 27th and 28th March enclosed).

The 26 men employed for the season at South Georgia with Mr H. Thompson over the returned to Stanley on 12th April - mostly, I understand, with good cash balances.

16. PAID STAFF. We have no information yet as to whether the Government intend taking further steps towards a final solution of the unemployment problem.

17. PASSENGERS. In addition to the following travel this time

11. HIS EXCELLENCY THE GOVERNOR toured the Colony in s.s.

"Lafonia" on voyage D.8, and a letter from the Colonial Secretary dated 12th instant expresses His Excellency's pleasure with the tour and his appreciation of the comfort and service on board s.s. "Lafonia".

The Governor was accompanied by his daughters, and Dr. and Mrs. Cheverton also made the voyage.

12. STORES TOUR VOYAGE - D.12. Mr T.W. Campbell will make this voyage, on return from which the "Lafonia" proceeds immediately to Montevideo and South Brazil.

13. DEAN BROTHERS - WOOL SHIPMENTS. The s.s. "Araucano", the Menendez vessel in which Mr. Pole Evans brought horses from the Coast, sailed from Stanley on 8th March, calling, we understand, at Pebble Island, San Carlos, Weddell Island and Port Howard. At Pebble Island she picked up wool. We have no exact information as to the quantity but understand it was some 50 bales. Capt. Roberts understands that Mr. Dean is paying £ 7. 10. -. per ton weight through freight on this shipment.

14. CASH. The cash position on 20th instant was :-

Deposit at Colonial Treasury	£ 4,200.
Cash at Office	£ 2,000.

on 10th April. If a large number of Camp people come into Stanley for the Jubilee week (which at the time of writing appears doubtful) this sum is likely to be considerably decreased. However, even had we expected the payment in May of wool tax in respect of "Glen MacGillivray" and "Lafonia" January shipments, we do not anticipate requiring a remittance from you before end of July.

15. STAFF OFFICE. Mr. D.M. Hensyman commenced his duties in the Accounts Department on 15th April. Mr. Creece will remain with Mr H. Thompson over the end-of-the-month work, and will ride to Darwin over the week-end of 4th/5th May.

16. FARE STAFF. Mr F.G. Langdon and Mr. Birt Elliott proceed to England by "Lafonia" and "Highland Princess" this time.

17. PASSENGERS. In addition to the foregoing, the following travel this time - Mr W.H. Luxton and Miss Luxton. Mr V.H. Clement. Mr J.W. Dean.

At Mr. Watson's request we have been asked to consider the possibility of obtaining a small colony in the

No. 768 per "Lafonia" 23/4/35. - 5 -

18. **"LAFONIA" - PROPOSED ALTERATIONS.** I enclose copy of letter received from the Colonial Government, together with our reply, on the subject of the proposed alterations to "Lafonia's" cabin accommodation, which the Government imply should be done locally.

19. **F. & D. SEALING COMPANY.** Copy of correspondence between the Sealing Company and the Colonial Government is enclosed. The Government's letter of 12th March encloses a Memorandum on Seal Hunting compiled by Mr J. Erik Hamilton which has been used as a framework for the conditions under which the Government are prepared to grant the license. This document is not dated, and

Mr. Watson informs me that it was received by the Government here in 1933 - the year Mr. Hamilton was last at Home.

Firearms etc. Two rifles of the type laid down, and 6,000 rounds of ammunition were telegraphed for, at the Company's request, on 22nd March.

Engineer. An engineer, engaged for the season by the Sealing Co., arrived from South Georgia on 12th April.

"Port Richard". This vessel was docked for inspection and overhaul on 10th April and undocked on 18th. Mr Thomson's report on her is enclosed with his general reports of work to Mr. Young.

Digestors. The two digestors at South Georgia, which the Company had earmarked for the proposed 1934 operations are not now available, having been utilised at South Georgia.

Drums. A further disappointment was suffered by receipt of a telegram on 14th April from Maclean & Stapledon to the effect that empty drums are "at present unobtainable" in Montevideo. We had asked them to arrange for a purchase and shipment of 2000/2400 drums.

There are no more available at South Georgia - Capt. Roberts states we were fortunate in securing the 200 for Darwin, as the Pesca Company had made an offer for them shortly after we had concluded arrangements to purchase.

At Mr. Watson's request we telegraphed Magallanes and Porto Alegre as to the possibility of obtaining drums there.

No. 768 per "Lafonia" 23/4/35. - 6 -

quantity of oil. Provided all difficulties are overcome and

production goes ahead well, Mr Watson enquires whether he should

1. Despatch No. 768.
2. ~~continue to produce~~ as much as he can over and above the 300 tons

3. Remarks on Accounts No. 69.

4. Recontracted for Fuel Depot No. 42.

5. Engineering Remarks No. 2/35.

6. Store ~~Index~~ WAGES COMPARATIVE STATEMENT No. 13 for the first quarter

7. Remarks on Stores No. 21.

8. ~~of this year~~ is enclosed showing an increase of approximately

9. "Lafonia" ~~Index~~ WAGES COMPARATIVE STATEMENT No. 13 for the first quarter

10. ~~of this year~~ is enclosed showing an increase of approximately

11. ~~of this year~~ is enclosed showing an increase of approximately

12. STANLEY HARBOUR SURVEY. I enclose copies of correspon-

13. ~~ence with Government~~ on the matter of freighting the "Discovery's"

14. ~~motor launch "Alert"~~ from South Georgia to Stanley at a nominal

15. ~~charge.~~

16. ~~charge.~~

17. NAVAL FUEL DEPOT - QUARANTINE STATION. Copies of

18. ~~correspondence with Government~~ are attached, regarding the

19. ~~contemplation of part of Navy Point~~ as a suitable site for the

20. ~~erection of an animal Quarantine Station.~~ As you will note, the

21. ~~Government have only so far asked us what authority we have over~~

22. ~~the land and have not requested any opinion as to the possibility~~

23. ~~copy of otherwise of the Admiralty sanctioning the use of the land for~~

24. ~~the purpose contemplated.~~

25. "LAFONIA"/"WALKLAND" CLAIM. This claim is being

26. ~~forwarded by Mr. J.M. Thomson in Mr Young's cover.~~

27. ~~Correspondence with Government re cargo not accepted "Alexander"~~

28. ~~had earmarked for between Government & (from Dunlop Rubber Co.~~

29. ~~/P & D Sealing Co.~~

30. ~~Sir,~~

31. ~~your obedient servant,~~

32. ~~Mark~~

33. ~~Wool~~

34. ~~Skins~~

35. ~~Tallow~~

36. ~~Hides.~~

37. ~~telegram on 14th April from Maclean & Stapledon to the effect that~~

38. ~~empty drums are "at present obtainable" and intended for use by~~

39. ~~asked them to arrange for a purchase and shipment of 2000/2400~~

40. ~~drums.~~

41. ~~There are no more available at South Georgia - Capt. Robertson~~

42. ~~states we were fortunate in securing the 200 for Darwin, as the~~

43. ~~F.H.D. Peble~~

44. ~~concluded arrangements to purchase.~~

45. ENCLOSURES UNDER SEPARATE COVER.

46. Stanley Stock Sheets - 31st December, 1934.

47. Wool

48. Skins

49. Tallow

50. Hides.

51. There are no more available at South Georgia - Capt. Robertson

52. states we were fortunate in securing the 200 for Darwin, as the

53. F.H.D. Peble

54. concluded arrangements to purchase.

55. ENCLOSURES UNDER SEPARATE COVER.

56. Stanley Stock Sheets - 31st December, 1934.

57. Wool

58. Skins

59. Tallow

60. Hides.

61. There are no more available at South Georgia - Capt. Robertson

62. states we were fortunate in securing the 200 for Darwin, as the

63. F.H.D. Peble

64. concluded arrangements to purchase.

No. 768 per "Lafonia" via Montevideo, 18th May 1935.

No. 768 per "Lafonia" via Monte/v. 25/4/35.

ENCLOSURES.

1. Despatch No. 768.
2. Statement on A/cs No. 69.
3. Remarks on Accounts No. 69.
4. Remarks on Naval Fuel Depot No. 42.
5. Engineering Remarks No. 2/35.
6. Store Indent No. 734.
7. Remarks on Stores No. 734.
8. Duplicate specification "Loreto" shipment - 12/3/35.
9. "Lafonia" Inward Reports Voy. C25, 28, 29, D1, 2, 3, 4, 5 & 6.
10. P.I. Gazette - 1st March & 1st April & 1934 Index.
11. P.I. Shipping Report No. 3/35.
12. Royal Mail Line Account (31st March)
13. P.S.M.C. Account (31st March)
14. Coal Statement (March)
15. Return of Establishment & Wages - Mch. Qr. Darwin, North Arm & Islands.
16. "do" "do" "do" "do" Fitzroy.
17. Extract from "Lafonia" Log 21/12/34 re Port Howard Jetty.
18. Consisting Insurances (February & March)
19. Wages Comparative Statement No. 13 - 1st Qr. 1935.
20. Extract from "Penguin" 27/28th March re unemployment relief.
21. Foreman Carpenter's Survey Report on Port Howard Jetty.
22. Estate J. J. Walton - Appointment of new Trustees.
23. William Stickney (Dec'd) Letters of Administration.
A/c of fees paid.
Certified copy of Will.
Partnership deed.
P/Attorney - Mrs. J. Stickney/L.W.H. Young.
24. Stanley Ledger Balances at 31st March, 1935.

CORRESPONDENCE.

11. Reports to and from Colonial Secretary re proposed alterations to "Lafonia" cabin accommodation.
12. Remark made by the Governor to the "Lafonia" on the re proposed re-survey of Stanley Harbour.
13. " " " " " " re Navy Point as suitable site for Quarantine Station.
14. Correspondence with Government re cargo not accepted "Almanzora" (from Dunlop Rubber Co. /P & D Sealing Co.
15. Recent reductions in the cost and selling prices of oils - of these reductions. Circular enclosed.

SPECIFICATIONS.

Mark Wool Skins Tallow Hides.

W.A. 21. Advises that the Sealing Co's "Port Richard" has left Stanley and confirms telegram re insurance. Details arrangements at present for the supply of drums.

F.I.C. 8.1. 88. Enclosed in connection with damage to Port Howard Jetty.

16. Mentions name of the passengers by this "Lafonia".

J.B. 54

L 23

1

J.H.D. Pebble 52

ENCLOSURES UNDER SEPARATE COVER.

Stanley Stock Sheets - 31st December, 1934.

Farm

do

Building, Cons.,

Store Stocks - do - DH, WC, NA, PE, PL, S.I.

Fencing.

No. 769 per "Lafonia" via Montevideo, 18th May 1935.

No. 768 per "Lafonia" via Montevideo, 25/4/35.

P.R.E.O.I.S.

1. Despatch No. 768.
2. Statement confirms No. 768 and acknowledges your No. 1383.
3. Remarks on Accounts No. 68.
4. Remarks Reports further claims received against insurance of
5. Engineering work from Magallanes in February.
6. Store Indent No. 734.
7. Encloses Statement of Account re Estate of Bernard Stickney.
8. Duplicate specification regarding Tallow and Wool Markets.
9. "Lafonia" Note your advice regarding Tallow and Wool Markets.
10. P.I. Gazette - 1st March.
11. P.I. 1531. Advises the loss of "Lafonia's" port anchor at Magallanes -
12. Royal Mail extract of leg and Note of Protest are enclosed.
13. P.S.N.O. Accounts - 1st March.
14. Co. 6. Stas. "Falkland" renamed "Teresa" and owned by Trucoso & Co.
15. Return of Establishment & Expenses - 1st March.
16. 7. Encloses further correspondence from the Government concerning
17. Extract re the use of the Naval Fuel Depot grounds for a quarantine
18. Coasting Station. (February & March)
19. Wages Comparative Statement - 1st March.
20. Extract. Copies of letters exchanged with the Government and Estate
21. Foreman Louis Williams relative to a quantity of cargo shut out
22. Estate J. from "Lafonia" at Magallanes - comments on terms of Govt
23. William Stiller. (See d) Letters of Administration of the
9. Advises appointment of N.K. Cameron & V.A.H. Biggs to Legislative Council.
24. Stas. 10. Advises appointment of Justices of the Peace - N.K. Cameron J.W. Grierson, A. Newing and J.D. Creamer.
11. Reports that a Conference of Farmers was held in Stanley copy of letters on 7/8th May. Mr. Goddard is reporting more fully to you direct
12. Remark made by the Governor to the effect that he does not propose using "Lafonia" on the South Georgia run after July voyage.
13. Advises movements of "Lafonia" and "Laguna" (Outward bound)
14. Mr. Wood proceeds home by this "Lafonia" and Mr. Creece has assumed his duties in Darwin. (From Dunlop Rubber Co.)
15. Recent reductions in the cost and selling prices of oils - clients contracting for the Tour voyage are to have advantage of these reductions. Circular enclosed.
16. Advises that the Sealing Co's "Port Richard" has left Stanley and confirms telegram re insurance. Details arrangements at present for the supply of drums.
17. Encloses claim in connection with damage to Port Howard Jetty.
18. Mentions some of the passengers by this "Lafonia".

J.E.

L

J.H.D. Feb 27

ENCLOSURES UNDER SEPARATE COVER.

Stanley Stock Statement - 31st December, 1934.

PAID

10/10/35

Store Stocks - do -

DE. WC. NA. PS. PL. S.

Building. Cont.

Enclosed.

"Lafonia" via Montevideo.

18th May,

35.

769.

Sir,

I confirm Despatch No. 768 of 23rd April and have to acknowledge you No. 1383 received on 10th May.

2. 1383 - 4 Stock from Coast - February 1935. Details for a claim in respect of two rams and three ewes of Mr. Bonner's were sent with Remarks on Accounts No. 69/5.

The sheep were released from quarantine on 26th April.

Mr. Bonner has sent us advice of the death of four more ewes between 19th March and 10th April but we will await the expiry of the full period covered before forwarding any further claim.

3. 1383 - 7 Bernard Stickney's Estate. The Statement of Account asked for (as at 14th February ¹⁹³⁵) is sent herewith.

Incl.

4. 1383 - 9/10 Tallow and Wool Markets. Your advices are noted, and the Camp Manager had an opportunity of perusing your Despatch on its arrival.

5. "Lafonia" - Loss of Anchor. I enclose extract of log and Note of Protest covering the loss of "Lafonia's" port anchor at Magallanes on 18th April. The spare anchor which had arrived in March ex "Almansora" cargo was fitted on "Lafonia's" return to Stanley from Magallanes, and an order for a new spare anchor is included in the Resident Engineer's indent this time.

6. ss "Falkland" now "Teresa". Messrs. Dick & Bravo, under date 18th April write as follows:-

"ss "Falkland" left here last month for

Puerto Montt and is now named the ss "Teresa"

THE MANAGING DIRECTOR

LONDON.

the Governor, was held in Stanley on the 7th and 8th May.

No. 769 per "Lafonia" May 18th 1935. - 2 - Stock

" and registered as being the property of Messrs

Trucese & Co., we cannot find any note of this.

Firma address."

7. Naval Fuel Depot - Quarantine Station. Further to our 768/22 we enclose copy of letter from the Government advising us that they are approaching the Admiralty, through the Secretary of State, as to whether authority can be given for the use of Navy Point as a Quarantine Station.

8. Colonial Government - Complaint (Estate L. Williams).

I enclose copies of correspondence dealing with a complaint lodged simultaneously with the Government and ourselves by Estate Louis Williams on the subject of non-shipment of a small quantity of cargo from Magallanes per "Lafonia".

We have not yet received Mr. Dick's observations but have little doubt that they will bear out the suggested explanation in para. 3 of our letter to the Government.

It will be noticed that the Government do not even ask if any explanation can be offered; the importance of the incident, to our minds, is the fact that they should address us so hastily, in terms of obvious censure, on the insecure foundation of a translation of a part of a letter from Estate L. Williams' Agent covered by a typically abstruse letter from that firm. We have offered no comment on the latter.

9. LEGISLATIVE COUNCIL. Mr. N.K. Cameron and Mr. V.A.H. Biggs have been appointed to the Legislative Council for five years with effect from May 6th 1935. The information, calculated to be of much interest to you and to Mr. Young, was telegraphed to you on May 10th.

10. Public Appointments. Other appointments made on Jubilee Day are four Justices of the Peace - Mr. N.K. Cameron, Mr. J.W. Grierson, Mr. Albert Hewing and myself.

11. Conference of Farmers. A Conference of Farmers, called by

prices as from the middle of May by approximately 20%.

the Governor, was held in Stanley on the 7th and 8th May.

The Governor presided, and the Colonial Secretary, Stock Inspector and twelve farmers were present. Copies of the Governor's Address and the Resolutions passed are enclosed.

Incl.

As Mr. G.M. Goddard was present and is forwarding his observations to you direct, it is not proposed to comment on any of the matters here.

12. "Lafonia" - South Georgia. During the above conference the Governor made a remark to the effect that he did not propose to employ "Lafonia" on the South Georgia run after the voyage due to be made in July. It is apparently proposed to hire a whale-catcher for this service. Mr. Goddard is commenting fully on this matter in a letter he intends sending by Air Mail this time.

13. Steamer movements. "Lafonia" arrived from Montevideo at 4 a.m. on Friday 10th May, fully loaded. Discharge and reloading was completed in the early hours of Sunday the 12th when she sailed on Voyage D.12 (Tour Voyage). In addition to the ports shown in the published itinerary she called at Darwin with passengers and to lift some spare empty drums for Albemarle, and tallow, hides and tinplates. Another additional port is Albemarle to discharge 500 drums obtained from Montevideo and those picked up at Darwin. She will hardly be back from the present voyage before the Despatch closes.

M.V. "Laguna." A telegram received from Montevideo on 15th May states that "Laguna" arrived at Bahia Blanca on 13th and expects to leave that port on 17th inst.

14. Staff. Mr. J.T. Wood and family join "Lafonia" and proceed homeward via Montevideo this voyage. Mr. M.G. Greece duly proceeded to Darwin overland on 4th May to take up his duties there as Storekeeper and Bookkeeper.

15. Store Tour Voyage. Recent importation of paraffin and petrol from Montevideo being cheaper, we are reducing Stanley prices as from the middle of May by approximately 20%.

I have considered it reasonable to give clients who contracted early for the Tour delivery of these oils, some advantage of the new prices and we are delivering at a price less than that contracted for. Copy of circular to such clients is enclosed.

Encl.

16. Sealing Company. s.s. "Port Richard" left Stanley on Sunday 12th May for Albemarle via Salvador Waters and San

Carlos picking up a few dozen empty drums from those ports.

The immediate programme is the strengthening of the Albemarle Jetty, and then the hunting of sea-elephants. We are pleased

to say that the drum ^{position} ~~quantity~~ is easier as quantities can now

be obtained from Montevideo. The position, in round figures,

is as follows:-

200 at Albemarle
100 ex Darwin, Salvador & San Carlos.
500 ex Montevideo (May)
600 to come from Montevideo in June
Further supplies obtainable in Montevideo later.

Insurance. We telegraphed you on 9th May to effect insurance on "Port Richard", sea risks, for £2,500 for 4 months.

Presumably you will also arrange insurance on the Catch on the same lines as in 1933. Mr. Watson has been informed of the contents of your 1383/8 and will advise us in due course (a) the estimated quantity of oil expected and (b) the actual quantity when boiling down is completed.

17. Damage to Port Howard Jetty. 1383 - 5. The Claim in respect of damages to the Port Howard Jetty is enclosed herewith.

18. Passenger per "Lafonia". Among the passengers proceeding to the United Kingdom by this "Lafonia" are - Mr. N.K. Cameron, Mr & Mrs. J. Robertson, and Mr. R.C. Pole Evans. J. Rae and H. McMillan, two shepherds from the Company's Camp are travelling third class.

I am,

Sir,

Your obedient servant,

for Manager.

I have forwarded to you via Montevideo 18th May, 1935, some
 702 2nd "Lafonia" via Montevideo 18th May, 1935, some
 connected with the same.

Enclosures.

1. Despatch No. 749.
2. Statement of Accounts No. 70.
3. Remarks on Accounts.
4. Store Indent No. 755.
5. Remarks on Stores No. 735.
6. Remarks on Naval Fuel Depot No. 43.
7. Coal Statement for April.
8. Coasting Insurances April.
9. Statement of Account - Bailien & Stickney as at 14th February, 1935.
10. Royal Mail Lines Account (30th April)
11. F.I. Gazettes (May 1st & May 6th)
12. F.I. Shipping Report No. 4/35.
13. Duplicate Specification of Shipment n.m. "Lafonia" 25th April, 1935.
14. Conference of Farmers. Copies of Governor's Address and resolutions passed.
15. Claim re damage to Port Howard Jetty 21/12/34.
16. Extract of log and note of protest re loss of port anchor at Magellan 18th April, 1935.
17. Copy of circular to clients re reduction in price of paraffin and petrol.
18. Summary of killing 1935. Darwin, Fitzroy, North Arm, Speedwell Is. Walker Creek.
19. Estimates for 1935.

Correspondence.

Copy of letter from Colonial Secretary dated 24th April, re use of land in Navy Point as Quarantine Station.

Copy of correspondence re complaint Est. L. Williams re shipment of cargo from Magallanes.

Specifications.

Mark	Wool	Skins	Tallow	Hides.
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D.H.			445	277
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N.A.				
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F.I.C.S.I. 31/12/34

W.C.				88
------	--	--	--	----

P.R.				11
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F.B.	5	3		
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H & B.	1			13
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Enclosures.

1. Despatch No. 724
2. Statement of Accounts No. 70
3. Remarks on Accounts
4. Store Indent No. 725.
5. Remarks on Stores No. 735.
6. Remarks on Naval Fuel Depot No. 12.
7. Coal Statement for April.
8. Coasting Insurance April.
9. Statement of Account - Bailien & Stickney as at 31st February
10. Royal Mail Lines Account (30th April)
11. F.I. Gazette (May 1st & May 6th)
12. F.I. Shipping Report No 4/30.
13. Duplicate Specification of Shipments S.S. "Lafonia" 25th April.
14. Conference of Partners. Copies of Resolutions adopted and minutes.
15. Claim re damage to Post Office Jerry 21/12/34.
16. Extract of log and news of progress re loss of post packet of 14th April. 1935.
17. Copy of circular to clients re reduction in price of paraffin.
18. Summary of shipping 1935. Details. Fitter, Yards and Speed.
19. Estimates for 1935.

Correspondence.

Copy of letter from Colonial Secretary dated 24th April, re land in Mary Point as Quarantine Station.

Copy of correspondence re complaint Ept. 1. 1935 re loss of cargo from Magill's.

Specifications.

Part	Foot	Ship	Letter	Price
D.R.			44	27
H.A.				
F.I.C.S.I.				
W.C.				
P.H.				
F.R.				
B.S.				

No. 770 per "Lafonia" via Montevideo, 19th July 1935

P R O I S

1. Confirms No. 769 and acknowledges No. 1384.
2. Reports position regarding balance of timber due on account of sale of s.s. "Falkland" and details telegraphic correspondence.
3. The Estate of the late Bernard Stickney being dealt with here. Mr. Greener proposes to include the Company in the Administration Bond if that guarantee is required.
4. Encloses Statement of Account - Messrs Stickney Bros.
5. Statement of Messrs Baillon & Stickney's account already sent.
6. Encloses letter to the Government suggesting re-arrangement of "Lafonia" itinerary consequent upon alteration of South Georgia voyages.
7. Encloses letters of claim in respect of stock from the Coast.
8. Comments on quarterly Comparative Statement of Wages.
9. "Laguna" arrived here 20th and sailed on 22nd May. Details movements of s.s. "Lafonia" including special call at Port San Carlos at the request of the Governor.
10. Mr. G. M. Goddard was operated on for appendicitis on 3rd July and returned to Darwin on 16th idem. Mr. Pearson was treated in Hospital for gastric ulcer and on his discharge was taken to Darwin by Mr. Goddard. The arrabassenan involved in Police Court action but owing to nature of charge and provocation it is decided not to take further proceedings. Mr. Greener expresses thanks for permission to overdraw his account.
11. Outlines a scheme suggested by a Mr. Totelaaf for operating a Fox Farm in these Islands. Capt. Schmitt who is joining Mr. Totelaaf may call on you whilst in Europe.
12. Encloses a copy of our letter to the Government giving Messrs Dick & Brave's version of the complaint made by Estate L. Williams that their cargo was shut out from "Lafonia" in Magallanes.
13. The sales for the May/June Tour Voyage increased by £59 over and corresponding voyage last year.
14. The Falkland and Dependencies Sealing Company had 80 tons of oil ready for shipment at 30th June.
15. Gives approximate earnings of "Lafonia" for the Brazil/Montevideo voyage in June.
16. Notes principal passengers proceeding to England by this "Lafonia"

THE MANAGING DIRECTOR,

LONDON.

No. 770 per "Lafonia" July 19th, 1935

"Lafonia" via Montevideo.

19 July

35

770

Sir,

I confirm Despatch No. 769 Of 18th May, and have to acknowledge your No. 1384, received here 23rd June.

2. 1384 - 3 s.s. "Falkland" - Timber. So far from completing deliveries in April there is a quantity still outstanding. We were advised by Messrs Dick & Bravo by letter of 27th May that deliveries were complete with the exception of some 600 pieces of timber and 4,800 posts. In reply to our telegram of 27th June, Dick & Bravo telegraphed on 5th July indicating that the situation was the same as it was at 27th May, and that the balance was "promised during August." We have telegraphed them (17 July) to point out to suppliers that they are violating the terms of the contract signed on 15th January, which called for delivery within six months; we are not likely to secure any redress but it is hoped that the terms of our telegram will ensure delivery of the remaining timber by the end of this month.

3. 1384 - 18. Bernard Stickney deceased. The documents are to hand and the matter is being dealt with. Copies of my letter and enclosures to the Supreme Court are enclosed. I would mention that the Power of Attorney differs from Mr. Young's in the case of Mr. William Stickney, as I am appointed Attorney in my own name and without any reference to my position or office with the Company. I have not yet been asked to furnish an Administration Bond, but if I am called upon to do so I shall, with Mr. Goddard's approval

THE MANAGING DIRECTOR,
LONDON.

No. 770 per "Lafonia" July 19th, 1935 - 2 -

get the Company to enter into it jointly with me.

I take it that, as in the case of Mr. William Stickney's Estate, no Estate Duty, legal charges or expenses are to be charged to the firm (Baillon & Stickney) and we have therefore opened a separate account for "Estate late Bernard Stickney" to which such items will temporarily be charged.

Encl.

4. 1384 - 19 Lawrence Stickney deceased. The Statement of account of Messrs Stickney Bros. as at 28th March is enclosed as requested.

5. 1384 - 20 Messrs Baillon & Stickney. The Statement of account asked for in your telegram of 21st February was enclosed in our last Despatch (Ref. 769 - 3).

Encl.

Encl.

6. 1384 - 22 South Georgia. The matter of further voyages this year to South Georgia has been discussed between the Governor and Captain Roberts. Copy of my letter to the Government dated 17th July is enclosed; the suggested programme was drawn up by Captain Roberts and the crux of the situation is whether the whaling companies require their labourers in November, or earlier. Provided that the men are not required before November it will be seen that it will be possible to make another voyage to Porto Alegre in October.

As the Government are awaiting advice on this matter from Messrs Salvesen it is unlikely that I shall know before this mail closes, whether the suggested programme is agreed to or not.

7. Stock from the Coast - February 1935. Referring to Despatch 769 - 2, we now enclose letters of claims from Messrs Geo. Bonner as follows:-

1. 4 ewes between 19th March and 10th April.

2. 4 rams and 2 ewes between 9th and 21st May.

8. Wages - Comparative Statement. Statement for the quarter ending 30th June is enclosed. It shows an increase of

on 8th June, suffering from a gastric ulcer. After undergoing

10/11/35.

No. 770 per "Lafonia" July 19th, 1935 - 3 -

£ 311 over the corresponding quarter of 1934, the increase being accounted for by (i) Mr. J. M. Thomson's salary for that period during 1934 is not shown on the Wages Statement as he was then on leave, and (ii) the increase in Navvies' overtime working "Lafonia" after hours to enable her to keep to the published itinerary.

9. Steamer Movements. M.V. "Laguna" outwards, arrived here at 8 p.m. on 20th May and sailed for Magallanes at daylight on 23rd idem.

"Lafonia" arrived back from Brazil and Montevideo at 7 a.m. 23rd June. She was completely filled with cargo and after discharge and reloading sailed at 4 a.m. of the 26th. The Itinerary for this voyage (D.14) was altered at the express wish of the Governor who wished to spend a few weeks at Port San Carlos. Copy of letter enclosed shows the amended programme. Of the optional ports, only Port Howard was called at and Berkley Sound was omitted, "Lafonia" arriving back in Stanley at noon on 2nd July. She sailed at 4 a.m. on 3rd July for Berkley Sound and South Georgia. Leaving South Georgia she called at Port San Carlos on the morning of 13th July to embark the Governor and arrived Stanley at 7 p.m.

She sailed at midnight 16th/17th July for Darwin, Speedwell Island, Albemarle, Foxbay and is expected back in Stanley on 20th when she will leave for Montevideo. Proposed amendments to her future Itinerary are mentioned in para. 6.

10. Staff. Mr. G. M. Goddard, I regret to report, was found in the middle of June to be suffering from acute appendicitis. He decided to undergo the operation at once, and it was performed in Stanley on 3rd July. He was discharged from Hospital on 15th July and left for Darwin in the "Lafonia" on the night of 16th.

Mr. C. A. I. Fearon was admitted into Hospital on 8th June, suffering from a gastric ulcer. After undergoing

Encl.

No. 770 per "Lafonia" July 19th, 1935. - 4 -
 dietary treatment he was discharged on the 12th July.
 Mr. Geddard has taken him out to Darwin for a fortnight to
 provide some opportunity for complete recuperation.

G.A. Bennett. As reported in the "Penguin"
 of 6th June our warehouseman was summoned before the Magistrate
 for using abusive language. Bennett was on duty on the night
 in question and ordered an unauthorised person out of the
 Warehouse. The circumstances were provocative and the charge
 so utterly trivial that I have taken no disciplinary action.

Mr. M.G. Creese requests me to thank you for the
 arrangements made to enable him to purchase his household
 necessities by overdraft.

11. Colonial Government - Complaint (Estate L. Williams)

Encl.

Referring to Despatch No. 769 - 8, I now enclose a copy of
 letter to the Government dated 1st July, based upon information
 given to us by Messrs Dick & Bravo with regard to the circum-
 stances surrounding Estate L. Williams's complaint. So far we
 have had no reply (the Governor has been away at Port San
 Carlos) but we assume the subject is now closed. There are
 grounds for believing that the Government now realise that
 they acted rather precipitantly in the matter.

12. Fox-Farming Project. Mr. John Hamilton's "Penelope"
 was in Stanley for a few days in May with a passenger - a
 Mr. Tetslaaf - who, I learn, came to explore the possibilities
 of Silver Fox Farming in the Falklands. The following informat-
 ion, which I fear is rather incomplete, I gained from the
 Colonial Secretary. Mr. Tetslaaf (an American) is partner
 in a fox farm just outside Magallanes, and brought a letter of
 introduction to the Colonial Secretary from Mr. J. Hamilton.
 Mr. Tetslaaf had an interview with the Governor and Colonial
 Secretary, and his proposals amounted to the following:- That
 individual farmers should be encouraged to go in for fox
 farming, purchasing their original stock from Mr. Tetslaaf's

No. 770 per "Lafonia" July 19th, 1935 - 5 -

farms or, alternatively, a farming company should be formed locally, in which Mr. Tetslaaf would be prepared to take a big proportion of shares - such company, of course, also purchasing their original stock from him. In course of time the local farming Company would become independent of Mr. Tetslaaf's Magallanes farm and be in a position to supply stock to any individuals who might wish to set up farms on their own.

He was informed by the Governor that if he would put his proposals forward fully in writing they would be carefully considered, but he left in the "Penelope" without doing so, though it is understood that his concrete proposals may come forward after he has had an opportunity of discussing with his partner his impressions of the Falkland Islands as a suitable breeding ground.

Captain Schmitt of the "Penelope" who has been acting as Manager of Weddell and Beaver Islands, has left Mr. J. Hamilton's service and is joining Mr. Tetslaaf - whether as partner or employee I do not know. His intention was to proceed to Europe first for a few months, and I have given you the above information as it is possible he may call upon you or other Falkland Islands farmers to put Mr. Tetslaaf's proposals forward.

13. Stores Tour Voyage. Sales on the May/June Tour Voyage which was made in two separate sailings, totalled £1068, an increase of £59 over the corresponding voyage in 1934, despite a general trend of lower prices. Statement showing commodities sold is enclosed.

14. Falkland & Dependencies Sealing Co. Ltd. At 30th June we were advised that 80 tons of oil were ready. Captain Roberts will bring later information when he returns tomorrow.

15. "Lafonia" Voyage to Brazil - June. Though it is not possible to make up a voyage account yet, we can take the approximate gross earnings as follows:-

Encl.

No. 770 per "Lafonia" July 19th, 1935, - 6 -

Freight on Hides - Brazil to Montevideo	£200
" " Steres " " Stanley	700
(A/o Stere)	
	<hr/>
	£ 900

16. Passengers travelling home via Montevideo this voyage include Mr. W. Barlas (Magistrate - Beth Georgia), Miss E.M. Carey (Colonial Postmaster), Mr. T.D. Evans (Government Asst. Schoolmaster), and Dr., Mrs T.P. Binns and son.

I am,

Sir,

Your obedient servant,

for Manager.

ENCLOSURE LIST NO. 1.

1. Despatch No. 770.
2. Statement of Accounts No. 71.
3. Remarks upon Accounts No. 71.
4. Store Indent No. 736
5. Remarks on Stores No. 736
6. Remarks on Naval Fuel Depot No. 44.
7. Coal Statements for May & June
8. Wages Comparative Statement.
9. Statement of Stickney Bros & Co (in duplicate)
10. Engineering Remarks
11. Report on Naval Fuel Depot for Half Year
12. Envelope Containing s/os & Quarterly Returns for Naval Fuel Depot
13. " " Patterns for Director of Stores - Admiralty.
14. F.I. Gazettes Vol XLIV Nos 8 & 9.
15. Royal Mail Lines Account for May
16. Pacific Steam Navigation Co. Account for May.
17. Conveyance Dred & Stanley Land.
18. Letters re Loss of Sheep imported by Messrs G. Bonner.
19. Statement of Sales on Tour Voyages.
20. Letter addressed Managing Director (Camp Manager's letter).

CORRESPONDENCE.

Copy of letter to Government dated 18th June regarding amendment to "Lafonia's" Itinerary.

Copy of letter to Government dated 1st July in connection with complaint of Est. L. Williams.

Copies of letter and enclosures to Supreme Court regarding the Estate of Bernard Stickney.

Copy of letter to Government dated 17th July regarding proposed amendments to "Lafonia's" itinerary.

No. 771 per "Lafonia" via Montevideo 28th August, 1935

P R E C I S

1. Confirms No. 770 and acknowledges your No. 1385, also enclosures per "Lobos"
2. Encloses documents re Lawrence Stickney's Estate.
3. Notes arrangements regarding the management of Baillon & Stickney.
4. Encloses documents re Estate of late Bernard Stickney.
5. Advises Staff Agreements which expire shortly - J.D. Creamer, J.H. Watson (North Arm Storekeeper) and M. McKay.
6. Reports that a carefully planned burglary occurred at the Millinery Store on the night of 31st July/1st August, resulting in the loss of £94 in notes. Encloses memorandum giving details.
7. Details movements of "Lafonia". M.V. "Lobos" outward arrived here August 21st and left on 23rd.
8. Advises that revised itinerary for "Lafonia" has been approved by the Government and that it is expected that she will be at Rio Grande about 9th/10th October. Comments of South Georgia Voyage and sale of mutton and sheep to Leith Harbour Station.
9. Reports progress of Sealing Company. Details arrangements regarding supplies of ammunition. Licence is now extended to cover the killing of a further 2000 seals.
10. Remarks on Immigration Ordinance published in current issue of Falkland Islands Gazette.
11. Encloses correspondence between Governor and British Minister on Montevideo regarding direct transhipment of parcel mails.
12. Encloses letter from the Government suggesting inclusion in local legislation of a League of Nations Convention in connection with the safety of workmen working on ships.
13. Advises that M.V. "Gentoo" required to be towed back to Stanley with engine trouble on 18th August. Salvage claim filed for £500.

Details late Bernard Stickney. The following documents

are now enclosed:-

- (a) Letters of Administration with Copy of Will
- (b) Copy of Administration Bond
- (c) Note of payments and Expenses
- (d) Copy of Articles of Partnership

The last is returned as there appears to be a curious omission from it; the matter is dealt with more fully in a separate letter to the Managing Director.

THE MANAGING DIRECTOR,

LONDON.

"Lafonia" via Montevideo

28th August

35

771

Sir,

I confirm Despatch No. 770 of 19th July and have to acknowledge your No. 1385, received here 5th August, and also the enclosures (without Despatch) by "Lobos" dated 13th July, arrived here 21st August.

2. 1385 - 15 Lawrence Stickney deceased. Documents are to hand and the matter is being dealt with. I enclose copies

of:-

Covering letter to Registrar

Petition

Affidavit

Inventoray and Valuation of Spring Point
(as at 28th March, 1935)

Letters from and to the Registrar re a query in the Valuation.

Encs.

3. 1385 - 16 Baillon and Stickney - Foxbay Station.

We note the arrangements made. You did not instruct us whether to advise the present Manager of the arrangement and I have not thought it necessary to do so, as the control does not commence until 30th September and Mr. Young arrives soon after with the Power of Attorney.

4. Estate late Bernard Stickney. The following documents are now enclosed:-

- (a) Letters of Administration with Copy of Will
- (b) Copy of Administration Bond
- (c) Note of payments and Expenses
- (d) Copy of Articles of Partnership

Encs.

The last is returned as there appears to be a curious omission from it; the matter is dealt with more fully in a separate letter to the Managing Director.

THE MANAGING DIRECTOR,

LONDON.

Foxbay and Montevideo.

5. Staff. The following Agreements expire shortly:-

J.D. Greener (14th October 1935) In accordance with precedent it is understood that I shall await completion of Stock-taking before proceeding home.

J.H. Watson, North Arm, (19th December, 1935) Mr. Watson desires to proceed home in March or April next, but adds that he would like to return to North Arm after a period of leave, if you desire to retain his services.

M. McKay, Darwin, (15th October, 1935.) Discussion of this employee's future is left until Mr. Young's return.

6. Burglary. I regret to report that on the night of 31st July/1st August a serious burglary was committed in the Millinery Store resulting in the theft of £94 in notes from the strong-box containing the week's takings. So far no arrest has been made.

As a deliberately planned burglary is rare here I am giving you the fullest information I can from the data available, in the form of a Memorandum of a length unsuited to the body of a Despatch. Copy of my formal letter of advice to the Colonial Secretary is also enclosed.

7. Steamer Movements. "Lafonia" sailed for Montevideo (D 17) at noon on Sunday 21st July. Owing to some delay in loading empty drums she did not arrive back until 3 a.m. on Monday 3rd August, with some 260 tons of general cargo and 1220 empty drums. She sailed at 1 a.m. on 6th August with part of her cargo undischarged, for Darwin (with Goose Green Boiler), Foxbay, Albemarle and George Island, returning to Stanley at 3 a.m. on 9th August. She was ready for docking by the afternoon of the 9th but strong North-westerly winds prevented her entering the Dock until the afternoon of 10th August (Saturday). She was undocked on the 14th and left Stanley at noon on 15th for Albemarle (with ammunition urgently required) Magallanes and a number of West and East ports on her way back from Magallanes. She is due in Stanley at 2 p.m. today (28th August) and is due to sail tomorrow for North Arm (if time permits), Albemarle Foxbay and Montevideo.

801

No. 774 per "Lafonia" August 28th, 1935. - 3 -

M.V. "Lebos" arrived at 5 p.m. on Wednesday 21st August with 400 tons of cargo. Working no overtime she was discharged and despatched about 3 p.m. on Friday 23rd.

8. "Lafonia" - further voyages. Further to my 770/6, enclosing copy of letter sent to Government outlining a revised itinerary for "Lafonia" from 1st October, the programme has been approved by the Governor with a slight formal alteration - that after "South Brazil" in voyage D. 21, Montevideo is of course to be called at. Captain Roberts therefore expects to be at Rio Grande and Porto Alegre about 9th/10th October. Our stores from Brazil on this voyage will consist principally of 60 tons of bricks (15,000) and some 50 tons measurement of timber.

In the meantime we received your telegram of 8th August advising us of the sale of 500 live and 200 dead sheep to Leith Harbour 12th/15th November, which fits in most accurately with the South Georgia voyage proposed in our abovementioned letter of 17th July. Although, as mentioned above, the Government have actually agreed to the whole of the revised itinerary we are duly awaiting your Despatch, as instructed, before saying anything more to the Government about exact dates.

9. Sealing Company. From Mr. Watson's letters the Company appear to be doing well and a first shipment of some 220 tons is being made this time.

They have had to borrow .303 ammunition fairly heavily from the Government Reserve and the Government only lent it on our undertaking to telegraph for replacement in 'similar quality' from England as soon as possible. Hence our telegrams of 15th July and 20th August ordering 3000 and 5000 rounds respectively from the I.C.I. Ltd.,

They have just received permission through the Secretary of State to kill 2000 seal over and above the 8000 originally allotted to them. This should bring their total to about 370 tons. Actual figures will be telegraphed you available.

10. Immigration Ordinance - 1935. This ordinance is published on page 121 of the current Gazette. I understand that Mr. Young, on seeing the draft, wrote to the Government, criticising Section 2, sub-section 3, but the ordinance has been duly passed as drafted.

Mal. 11. Transshipment of Mails. I enclose copies of correspondence between the Governor and the British Minister in Montevideo, on the question of endeavouring to arrange direct transshipment of mails for the Colony, from ship to ship. In an interview with the Governor Captain Roberts pointed out the undesirability of upsetting the present arrangements of frequent postings to Montevideo as far as letter mail is concerned, and I understand that the Governor is corresponding with the English Postal Authorities to give effect to the proposals only as far as parcel mail is concerned.

Mal. 12. Proposed Legislation - Safety of workmen working on ships. I enclose copy of letter from the Government regarding a proposal to incorporate the provisions of the League of Nations Convention (Parliamentary Paper C.M.D. 4115 - 1932) in the legislation of the Colony. Before replying to the letter I am awaiting the return of Captain Roberts in order to obtain his and Mr. J.M. Thomson's views on the subject.

13. M.V. "Gentoo" - Casualty. The "Gentoo" left Stanley at about 7 a.m. on Sunday 18th August and we learnt on the Sunday Monday that she had been reported from the lighthouse to Mr. W.J. Hutchinson as being apparently in distress off the Volunteer Rocks. Hutchinson, who has been acting as a sort of Agent for the vessel in Stanley, took out the motor boat "Dawn" (Owner W. J. Bowles) which towed "Gentoo" back to Stanley on the Sunday night with a damaged engine. I understand that Bowles has filed a claim for £500 for "salvage".

We have received no communication of any sort from either the Captain, Hutchinson or Mr. Barton asking for any assistance or advice. Mr. Barton is coming to Stanley by "Lafonia".

No. 771 per "Lafonia" August 28th, 1935

- 5 -

by "Lafonia" today, but there may not be time to advise you by this mail what attitude he takes towards the salvage claim and how and through whose hands he intends to formulate his own claim for damage &c., if in fact, he is covered by insurance.

I am,

Sirs,

Your obedient servant,

for Managers.

12. Documents in connection with latest late Harward Stickney.
13. Memorandum re Burglary committed at Millinery Store.
14. F.I. Gazette - 1st August, 1935.
15. Lafonia Harward Report Vapour 1935, 18.
16. Copy of Ordinances re General Immigration into Colony.
17. Coal Statement - July.
18. Stanley Ledger Balances June 1935.
19. Return of Establishment and Census - Piteroy North Am D.H. W.G. Islands.
- 200 Duplicate Specification of Lafonia Shipment via Montevideo 21st July.

CORRESPONDENCE.

Copies of correspondence between the Governor & British Minister in Montevideo re mails.

Copy of letter from The Colonial Secretary KB enclosing Parliamentary Paper C.M.D. 4115 - 1932.

SPECIFICATIONS.

Mark	Wool	Skins	Tallow	Hides.
------	------	-------	--------	--------

F.I.C.S.I.
Triangle
F.B.

31

15

20. Pebbles.

37

F.I.C.S.I.

5

F.B.

9

2.

9

B.

12

No. 772 per "Lafonia" via Montevideo, 29/9/15.

P R E C I S

1. Confirms No. 771 and acknowledges your No. 1386
2. Advises completion of shipment of timber in connection with sale of "Falkland" - final tallies not yet complete.
3. Refers to arrangements for South Georgia voyage of "Lafonia" and shipment of sheep and mutton from Darwin.
4. There have been no further developments in the Fox-farming project and Mr. Schmitt has not yet proceeded to Europe.
5. Details movements of "Lafonia" and advises of call of H.M.S. "Kreter" which arrived unexpectedly on 3rd inst., and sailed again on morning of 5th idem.
6. Encloses correspondence and documents in connection with the estate of the Late Lawrence Stickney.
7. Encloses letter to the Government informing them that this Company see not reason why the convention concerning the protection of workmen on board ships should not apply in this Colony.
8. Advises the outbreak of a severe epidemic of influenza in the Colony. This unfortunately caused delay in various jobs &c., in hand.
9. Encloses file of documents &c., in connection with "Gentoo" Salvage Claim which has been submitted to the Committee of Lloyd's for arbitration.
10. Advises that Mr. J.M. Thomson has been appointed as Lloyd's Surveyor to examine and report on the machinery of "Gentoo". His report may not be completed in time for submission by this opportunity.
11. The main season's work of the Sealing Company has been completed and 340 tons of oil produced. Application has been made for permission to slaughter a further 1,000 elephants but the matter held up pending the return of Mr. J.E. Hamilton. Further advice will be sent you later by telegram.
12. Advises that Mr. J. Cantlie, a pensioner, died on 29th inst.

dealt with in my 771/8, which crossed yours under reply.

The Camp Manager is desirous of shipping the sheep and carcasses from Darwin, and as it would not be desirable to embark the South Georgia labourers before going to Darwin, it is proposed to call at Darwin on the way in from the November Tour Voyage (B. 22 in the revised Itinerary.)

THE MANAGING DIRECTOR,

LONDON.

"Lafonia" via Montevideo

29th September 35

772

Sir,

I confirm Despatch No. 771 of 28th August and have to acknowledge your No. 1386 of 16th August, received here 17th September.

2. 1386 - 2 s.s. "Palkland" - Timber. The balance of this timber from Magallanes arrived by "Lafonia" on 26th August, and what had not been delivered on the voyage across was stored in the "Fennia". There are a number of small discrepancies as between the quantities ordered, the quantities manifested on the two voyages (April and August), and the final figures supplied by Messrs Dick and Brave according to their tally sheets. "Lafonia" discharged hurriedly and owing to the influenza epidemic, reported later, it has not yet been possible to finally sort out and tally the balance in the "Fennia". That, however, will be done early this week when "Lafonia" has sailed.

3. 1386 - 5 South Georgia. This matter is really dealt with in my 771/8, which crossed yours under reply. The Camp Manager is desirous of shipping the sheep and carcases from Darwin, and as it would not be desirable to embark the South Georgia labourers before going to Darwin, it is proposed to call at Darwin on the way in from the November Tour Voyage (D. 22 in the revised Itinerary.)

THE MANAGING DIRECTOR,

LONDON.

4. 1386 - 11 Fox-Taming Project. There have been no further developments, and we understand that Captain Schmitt (referred to in my 770/12) has not yet proceeded to Europe and may not do so until early next year - if then.

5. Steamer Movements. "Lafonia" arrived from Magallanes at 2 p.m. on 28th August, having called at Chartres, Roy Cove, Hill Cove, Saunders Island, Pebble Island, San Carloses and Salvador Waters on her way across, delivering timber. She discharged the balance of the timber into the "Fennia", loaded some seal oil and wool and sailed from Stanley at noon on the 30th August for Albemarle, Foxbay and Montevideo. She left Montevideo in the evening of Monday 9th September, arriving at Stanley at 3 a.m. on Saturday 17th September, with 410 tons weight/measurement of cargo including 250 tons of bunker coal. After discharge she had a heavy loading programme, including clients' cargo ex "Lobos", Magallanes posts and timber for various ports, Goose Green Jetty materials and plant, as well as a good stores shipment from Stanley. She sailed on voyage D 20 at 5 p.m. on Tuesday 17th September for most of the East and West Ports. She is expected back tonight or tomorrow morning when she will sail, via Darwin and West Falklands, for Montevideo and South Brazil.

H.M.S. "Exeter" arrived at Stanley at 2 p.m. on 3rd September having proceeded at 24 knots from Valparaiso round the Horn, in accordance with unexpected Admiralty instructions. It was confidently hoped that she would remain until 28th, but at 8 p.m. on the 4th all officers and liberty-men were recalled to the ship and she sailed for "destination unknown" at 5 a.m. on 5th, having completed oil-fuelling during the night. Her hurried departure naturally caused keen disappointment throughout the Colony both from a business and a social point of view. Orders placed with us, which had to be cancelled, included mutton for two days ahead and fairly large quantities of eggs, fruit and vegetables from Montevideo. Supplies were therefore

No. 772 per "Lafonia" 29/9/35

- 3 -

limited to 9 carcasses of mutton on 4th, and she also took in 830 tons of oil fuel. We learnt on 20th September that "Exeter" had arrived at Gibraltar.

6. Estate late Lawrence Stickney. With reference to your 1383/15 and my 771/2, I now enclose the following documents:-

encs.

1. Letters of Administration to Mrs. A.R. Stickney and Mr. Robert Stickney, with copy of Will and Codicil attached.
2. Copy of Administration Bond and covering letter to Treasurer enclosing payments of Duty &c..
3. Note of payments and expenses.

Without instructions as to the fee for our services here, I have provisionally added the same sum as in the cases of the late Messrs William Stickney and Bernard Stickney.

7. Proposed Legislation - Safety of Workmen on Ships.

With reference to my 771/12, after perusal of the Parliamentary Paper by Captain Roberts and Mr. Thomson we wrote to the Government as per copy attached, without considering it necessary to remind them of certain peculiarities in local conditions, as various saving clauses are embodied in the text of the original document.

8. Influenza Epidemic. I regret to report the outbreak, early in September, of a severe epidemic of Influenza or "Grippe" similar to, though fortunately not so virulent as, that of 1926 reported in Despatches Nos. 660/18 and 661/1.

All our departments in Stanley have suffered from it, one employe after another succumbing for periods ranging from three days to a week. So far as works programme is concerned, Crawford did not go to Goose Green though the jetty materials were shipped; Hannaford did not go on this last voyage as had been arranged, to try and book some good orders for Sandy Point timber deliveries for 1936, but I hope to send him round on the November Tour Voyage.

One result of the epidemic has been the sale, in the course of a fortnight, of a normal three or four months' supply of

drugs, patent foods, rum, limejuice, &c., and attention was called in our telegram of 18th September to the urgent need of replenishment of some of the lines ordered in that telegram. The West Falklands appear to have become infected about the same time as Stanley; though efforts were made to keep Darwin isolated from it, there was relatively little hope, and that section succumbed almost to a man about 24th September.

9. M.V. "Gentoo" Salvage Claim. With reference to my 771/43 this claim is being submitted to the Committee of Lloyds for arbitration. I enclose copy of my letter to the Secretary of Lloyds and a complete file of the documents in the case, all of which are self-explanatory. Hon.V.A.M. Biggs was definitely at the back of Mr. Bowles - in fact he was given a Power of Attorney to act in the latter's interests; but on the parties agreeing to submit the matter to Lloyds for arbitration the matter was taken out of his hands and he expressed great displeasure at my not allowing him to participate at the interview of the 5th September where his presence could not have been of the slightest use to either of the parties or myself.

You will note that I have left the question of our Agency fees to the decision of Lloyds, and you will see from the documents that quite a lot of work has been entailed.

10. M.V. "Gentoo" Machinery. Since the breakdown of 18th August the engine has not run satisfactorily and on 7th September Mr. Barton formally applied to us, as Lloyds Agents, to appoint a Surveyor to report on the condition of the engine and generally to make such suggestions and give such instructions as would permit later of the issue of a seaworthy certificate as far as Pebble Island. I appointed Mr. J.M. Thomson who drafted the first part of his Report before proceeding to Alhemarle in "Lafonia" on 17th September. As he will not be back until tonight or tomorrow it may not be possible for him to complete his report in time for any further information to go by this mail.

No. 712 per "Lafonia" 29/9/35 - 5 -

11. Sealing Company. The main season's work was concluded at Albemarle about 18th September. Although under their licence the Company still had 925 seal and 240 elephants (representing some 60 tons) to kill, the influenza epidemic took such a hold that Mr. Watson decided to bring the expedition back to Stanley. A total of 340 tons has been produced, as telegraphed you on 21st September. The Company have now applied for permission to kill a further 1,000 elephants (representing some 150/160 tons) but authority cannot be granted until Mr. J. E. Hamilton's return to the Colony. At the moment Mr. Watson is undecided whether to go out now for his 60 tons under his existing licence or to await Mr. Hamilton's arrival and, if permission for the 1,000 extra elephants is granted, combine the two operations. When his decision is known a reply will be sent to your telegram of 26th September.

12. Pension - Jas Cantlie. This man died in Stanley on 29th inst., the pension granted in your ~~letter~~ despatch No. 1384/17 ceases therefore from that date.

W. A. R. H.	107	
L. H. G. G.	18	I am,
H. M. T.	14	Sir,
F.	39	Your obedient servant,
W. A. R. H.	77	
H. G. G.		for Manager.

ENCLOSURES.

1. Despatch No. 773.
2. Statement on Accounts No. 75.
3. Remarks on Accounts No. 75.
4. Store Indent No. 740.
5. Remarks on Stores No. 740.
6. Remarks on Naval Fuel Depot No. 47 & Supplementary.
7. Report on Naval Fuel Depot.
8. F.I.s. Dep. Sealing Co.Ltd. - Scheme for reorganisation of Company.
9. Report re accident to D. Stacey, Caretaker N.F.D.
10. Copy of Agreement with M.W.Biggs re loss of arm.
11. s.s."Lafonia" itinerary to 20/6/36.
12. Wages Comparative Statement, 3rd Quarter 1935.
13. Copy of H.E's Speech at Leg.Co.Meeting - 18/11/35.
14. Copy of Rules governing loans to Farmers.
15. "Lafonia" Inward Reports - Voy.Nos. D.20/D.23.
16. F.I. Shipping Report No.7/35.
17. R.M.Lines Account dated 14/11/35.
18. P.S.N.C.Account dated 18/11/35.
19. Duplicate specification of shipment per "Lafonia" 30/9/35
20. Coasting Insurances (Sept & Oct)
21. F.I.Gazette (1st October).
22. Coal Statements (Sept & Oct)
23. Return of Establishment & Wages - Farm Sections 30/9/35.
24. Copy of Survey Report on machinery of "Gentoo".
25. Stanley Ledger Balances at 30th September, 1935.
26. Report made by Master of "Lafonia".re condition of Whale Catcher s.s."Roydur".
27. Photos.

C O R R E S P O N D E N C E

Copy of letter dated 9th Nov. 1935 to H. Harding, W.Luxton and W. Clement, re shipment of sheep ex "Fordsdale" to Port Howard.

Copy of letter to Colonial Secretary dated 13/11/35 re commission on payment made to Maclean & Stapledon for purchases

Copies of correspondence with Govt. & Sealing Co.

S P E C I F I C A T I O N S.

<u>Mark</u>	<u>Wool</u>	<u>Skins</u>	<u>Tallow</u>	<u>Hides.</u>
F.I.C.S.I.	3			
F s		26	1	10
TRIANGLE F.B.		15		
R.B.C.		5		
McG		10		
W.P.		4	8	19
H		5		
H & B	16	32		
J.H.D.				101
Pebble		21.		87
D & S		10		20
J.L.W.	4	17		20
HEART		7		
Z		14		

810
No. 773 per "Lafonia" via Montevideo 26/11/35.

P R E C I S

1. Acknowledges receipt of your No. 1387 and confirms No. 772.
2. Reports arrival of Mr. Young on 27th October, 1935.
3. Baillon & Stickney, Fox Bay. - Understand that Mr. Blake will visit this Farm.
4. Burglary ex Millinery Store - Culprit not yet traced. Advises system in use re collection of cash daily from West Store & Millinery Store. Duplicate safe keys deposited in Treasury for safe custody.
5. F.I.s. & Dep. Sealing Co. - Unable to secure sufficient men to work both "Afterglow" & Station. Station closed. Encloses copies of correspondence with Govt. re sealing in Lafonia? - license granted. Insurance of "Afterglow". Encloses a scheme for your consideration for the reorganisation of the Sealing Co. Rate of 10/- a high covering towage of "Albemarle" to Stanley.
6. Encloses copy of license I granted to Sealing Co. for sealing in Lafonia.
7. Port San Carlos Ltd. - notes modifications in Mortgage rate of interest and in terms of contract.
8. Advises that Maclean & Stapledon have been instructed to keep the 12 rams and bull ex "R. Brigade" in disinfected lighter until "Lafonia's" arrival.
9. Reports arrival of W. L. Stansfield, Wool Classifier.
10. Advises s.s. "Fordsdale's" arrival with 64 rams/ewes. Encloses copy of letter to certain farmers re shipment of these sheep to Port Howard.
11. Boiler for Goose Green towed out by "Lafonia" 6/8/35.
12. Regrets to report of accident to D. Stacey's right eye. Encloses (a) Report. (b) Copy of agreement with H. V. Bigg.
13. No. Para. - typing error.
14. Stanley Buildings - Alterations in Stanley House great improvement. Reports satisfactory progress New Ship Hotel.
15. Regrets to report of accident to Mrs. Langdon.
16. s.s. "Lafonia" - Bunkers Montevideo 1936. Increase of outward cargo via Montevideo.
17. Mr. Creamer proceeds on leave March, 1936, and Mr. Gilruth April, 1936.

18. Rams ex Coast - Refers to your cable dated 30/10/35.
19. Four ram hoggets shipped to South Brazil per "Lafonia" 30th September, and shown at Porto Alegre show.
20. Reports dispute with Government as to payment of our commission for financing purchases through Maclean & Stapledon in Montevideo. Encloses copy of letter to Colonial Secretary dated 13th November.
21. Advises H.E. The Governor will be visiting Darwin on 27th instant. Mr. Young hopes to accompany him.
22. s.s. "Falkland", now "Teresa" - doing well. Matter not completed and encloses final account.
23. Steamer movements.
24. Comments on Wages Comparative Statement for September quarter, 1935.
25. s.s. "Port Richard" towed "Gentoo" to Sebbie Island on 3rd October.
26. Remittances - Do not anticipate will require a remittance before end of December.
27. Refers to timber received in part payment of "Falkland".
28. Produce - hope to ship about 80 sales skins ex Darwin this opportunity.
29. Few head of cattle still remain on North Swan Is.
30. Light for Cape Meredith erected September - not yet working.
31. Refers to cable sent 6/11/35 - re cadet for Fitzroy.
32. Notes Mr. W. M. Dean arrives Buenos Aires 20/12/35.
33. Ordinance No. 7 of 1935 - immigration. Will probably be re-drafted in near future.
34. Encloses copy of H.E. The Governor's speech at Leg. Co. Meeting on 18th instant.
Pasture expert.
- XX. Stock Adviser. - not yet known whether he will also carry out duties of Stock Inspector. Encloses copies of rules governing loans to Farmers.
35. Advises labour conditions worse than they were in the early part of the year.
36. Sheepowners Association - understand that H.E.'s reply to their letter not favourable.
37. Second & final payment 2400 - A/c Fitzroy Bridge, made by Government 31st May.
38. Catcher - s.s. "Hoydur" - confirms cable despatched 25th instant.
Recommends purchase.

"Lafonia" via Montevideo.

24th November,

/ 35.

773.

Sir,

I have to acknowledge receipt of your Despatch No. 1387 dated 4th ulto., and to confirm my No. 772.

2. I arrived in Stanley on 27th ulto., the journey from England taking three weeks only. M.V. "La Paz" which left England on 14th September arrived a few hours ahead of "Lafonia", having been delayed at Bahia Blanca.

3. 1387 - 4 Baillon & Stickney, Fox Bay. I hope to see Mr. Robson shortly. I understand that circumstances permitting, Mr. R. Blake will visit this Farm during his stay in the Colony.

4. 1387 - 7 Burglary ex Millinery Store. As was expected, the culprit has not been traced. A certain amount of cash must be kept in unoccupied buildings, but this is now reduced to a minimum. The system is -
WEST STORE - A clerk from my office collects the previous day's cash at 2.30 p.m. He also collects any sum in excess of £25 which may have been taken up to 4.30 p.m. that day. At closing time the cash taken in the West Store after the Office Cashier has made his collection, is locked in the safe (a Whitfield) in the Store cash desk, which is itself locked and the key kept by Mr. Hardy.
MILLINERY STORE. - In the past this cash has been collected by the Office Cashier once a week, and also on the 1st of each month (up to the last day of the previous month). Now, as the amount reaches £25 or £30, about £20 is taken out against an I.O.U. and sent over to the

THE MANAGING DIRECTOR,
LONDON.

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MANAGING DIRECTOR,
LONDON.

Store Cashier to be collected in the afternoon, with the West Store Cash, by the office Cashier. The sum in the Millinery cash-till at 5.30 p.m. each day is put into the Store Office safe (a Griffiths).

Both these buildings are unoccupied at night. In my office, the Cashier keeps silver in current use, in a small Milners safe in the outer office. Notes are placed in small locked drawers in a Milners safe at night, which is kept in the strong room built last year. This is of cement block construction, with hollow walls and galvanized corrugated sheets in between. The door opens into the Accountant's room. The main door is of steel secured by a yale padlock, the outer door wood, and is kept locked. This building has a caretaker. The duplicate safe keys have been deposited in the Treasury for safe custody.

5. 1387 - 9 F.Is. & Dependencies Sealing Co. Ltd.

I regret to inform you that owing to the delay in granting an extension of the license, it has not been possible to secure sufficient men to work both "Afterglow" and the Station. "Afterglow" went out on 21st instant to close the Station down, and will be laid up on her return.

The position is most unsatisfactory. When Mr. Hamilton arrived on 27th ulto., it became apparent that he was not in favour of an extension. Certain men who had been hoping for re-employment by the Sealing Company, then agreed to go whaling and left by "Lafonia" for South Georgia on 9th instant.

Knowing that elephants were numerous in S. & S.W. Lafonia I decided to apply for a license and allow the Sealing Co. to work it - as Mr. Hamilton could not possibly interfere with our rights. (Copies of correspondence enclosed.)

Encl.

This was granted, and doubtless realising that this made their attitude towards the Sealing Company impossible, Government then granted an extension but imposed conditions which made it most difficult for them to operate. However,

the position was clarified to a certain extent and the "Afterglow" was got ready for sea, when a difficulty arose in obtaining men. A few were engaged at usual rates, £6 per month and 2d per barrel bonus, but others held out for £11 per month, 1/6d per hour overtime and 2d per barrel bonus. Government endeavoured to put pressure on them but without success and I therefore advised Mr. Watson to abandon sealing for the present. Government is paying unemployment allowances to 34 men and paid off about 25 others a few days ago. If circumstances change "Afterglow" may go sealing after Christmas.

Insurance. "Afterglow's" movements have been -

Arrived Port Stanley October 19th.

Sailed " " November 21st.

returning about 30th instant. As she will have been in Port for more than thirty days can you obtain any refund from Underwriters?

Encl. Reorganisation of the Sealing Company. I enclose the rough outline of a scheme for your consideration. It may be necessary to modify this to a certain extent, but I think it contains the basis of a scheme for reorganising the Company. Kindly let me have your comments as early as possible.

Despite the fact that the Capital has been entirely lost it might be politic and assist us in negotiating for a license with Government, if present Shareholders were given a small holding in the new Company.

"Albemarle". The rate of 10/-% to cover towage from Albemarle to Stanley is very high indeed - cannot you get this reduced? Please let me know the rate for the same

6. voyage, but under sail and for power.
License for sealing in Lafonia - For my future guidance kindly let me know if you approve of the terms of the

Encl. license I granted to the Sealing company (copy enclosed.)

7. 1387 - 12 Port San Carlos Ltd. The modifications in the

Mortgage rate of interest and in the terms of the contract are noted.

8. 1387 - 13 Rams &c. Three for Port Stephens and 12 rams and 1 bull for the Falkland Islands Co. ex "Highland Brigade" - due Montevideo 28th instant. As "Lafonia" will not arrive at Montevideo for two or three days after "Highland Brigade", Messrs. Maclean & Stapledon have been instructed to keep these rams and bull in a disinfected lighter with an attendant in charge.

9. 1387 - 15. W. L. Stansfield, Wool Classifier, arrived on 27th ulto., and went out to Darwin on 29th idem.

10. S.S. "Fordsdale" arrived early on 10th instant, and sailed about 11 a.m. She discharged 64 rams/ewes and a quantity of hay and chaff direct to "Lafonia", which sailed direct for Port Howard about 11 a.m. where all sheep were landed early next morning in good condition.

Encl.

I enclose copy of my letter dated 9th instant to certain West Falkland farmers. As my arrangements were made with them to cover the vessel's arrival on 9th instant at the latest, and that we had agreed to deliver sheep and mutton to Salvesens at Leith Harbour by 15th instant, it was certainly taking a chance in shipping these sheep out on 10th instant.


11. The new boiler for Goose Green was towed out by "Lafonia" on 6th August.

12. D. Stacey, Caretaker, Naval Fuel Depot. I regret to report that on 2nd ultimo, when working on the East Shed, Naval Fuel Depot - chipping out concrete, a chip entered Stacey's right eye. He went into hospital and it was found necessary to remove the eye as there was a danger that the other eye was likely to be affected. He resumed duty on 6th instant. Report enclosed.

Encl.

He has since enquired as to compensation. I have continued his wages whilst he was off duty, and paid the

hospital and medical fees. The loss of the eye will not, apparently, affect his wage earning capacity so long as he remains in our employ. He is a thoroughly trustworthy and reliable man and most suitable for the job he holds.

1.  I enclose copy of the agreement entered into with M. W. H. Biggs re loss of his arm on C.C.82 in 1927, for reference. Please favour me with your instructions.

14. Stanley House. The alterations are a great improvement, and the interior of the house is now in excellent condition. The dampness which has been apparent for several years past appears to have at last been cured.

New Ship Hotel. Work is progressing satisfactorily and should be completed within two or three months.

15. I regret to inform you that Mrs. Langdon was thrown from a horse and kicked on 1st October last. I arranged for "Lafonia" to bring her in on Voyage D.22, and she is now in hospital. I understand that the shin bone is chipped.

16. S.S. "Lafonia". Bunkers Montevideo, 1936.

I presume that you will contract with Messrs. Wilson Sons & Co. as usual. If the threatened coal strike materialises I presume they can get supplies from U.S.A. Would you please discuss this matter with them - if bunkers should not be available at Montevideo we should have to try and carry out a reduced programme of sailings on Brazilian or Magallanes coal.

Outward cargo via Montevideo. As this is increasing will you request the Royal Mail Lines to advise you as soon as each connecting vessel leaves England, of the actual tonnage shipped - which please cable to me as early as possible if it is more than 100 tons wt/meast. so that I can limit cargo ex Montevideo if necessary.

We are now selling to Government Gas Oil, Colas and Petrol

ex Montevideo, when the Sealing Co. also require drums and coal and we have to replenish our coal stocks here our space may be overbooked.

17. Staff - Leave. Mr. J. D. Creamer will proceed on leave in March next, and Mr. Gilruth in April.

18. Rams ex Coast. With reference to your cable dated 30th October, if I can buy not less than 300 tons Coronel coal at Magallanes at a reasonable price "Lafonia" will make a voyage there late January, when she can also ~~tx~~ ship the Rams and 30 tons oats which we require. I will cable you as soon as possible re this and also advise Mr. Blake.

19. Rams to South Brazil. Four Ram Hoggets were shipped per "Lafonia" on 30th September last, and were shewn at the Porto Alegre Show. They were then to be shewn at a stock show at Bage, and Messrs. Cooper's local representative had undertaken to look after them. A price of £10 each had been put on them and I now await Messrs. Cranston Woodhead & Co's further advices.

20. In March last the P.I.S. Government requested Messrs. Maclean & Stapledon to act as their Agents in Montevideo. Mr. Stapledon first asked my approval of their acceptance which I gave. A dispute then arose with Government as to payment of our commission for financing such purchases, and it was decided to leave the matter over till my return. I have now agreed to render this service to Government free of commission as their direct purchases in Montevideo have so far been trifling, but should they appreciably increase the matter may be reconsidered. Copy of my letter to the Colonial Secretary dated 13th instant enclosed.

Encl.

21. His Excellency the Governor is visiting Darwin on 27th instant where he will probably stay 7 or 10 days. I hope to accompany him.

22. S.S. "Falkland" - now "Teresa" is trading on the Chilian Coast and is said to be doing well. We have

received all our timber from A. M. Jacobs and as the matter is now completed the final account is being sent you by this mail.

Encl.

23. Steamer movements. S.S. "Lafonia" arrived from Montevideo on 26th ultimo with 28 passengers and 533 tons cargo. She sailed for East & West Falkland ports on 30th October, returning on 7th November. She sailed for Port Howard, Darwin and South Georgia with 32 passengers, 500 sheep and 200 carcasses mutton on 10th instant and is due back with about 400 tons coal on 23rd instant. She then makes a quick voyage to Salvador Waters, returns to Stanley and sails for Montevideo via Darwin and Fox Bay about 27/28th instant.

Encl.

Itinerary to 20th June, 1936. is enclosed.

M.V. "La Paz" arrived a.m. and sailed p.m. on 26th ultimo.

S. S. "Fordsdale" arrived a.m. and sailed 11 a.m. on 10th instant.

A French Cruiser is expected to call here on 10th proximo and stay about four days.

24. Comparative Statement of Wages for the third quarter of 1935 is enclosed. It shows a total increase of £311. -. for the quarter, and £527. 3. 2. for the nine months ending 30th September last. The increase is mainly due to increased work loading or discharging "Lafonia", also increased overtime worked on her.

Encl.

25. With reference to previous advices, s.s. "Port Richard" towed "Gentoo" to Pebble Island on 3rd ultimo, returning to Stanley on 5th idem.

26. Remittances. I do not expect that I shall require a remittance before the end of December.

27. With reference to the parcel of timber received in part payment for s.s. "Falkland", about £900 value has already been disposed of and we have orders on hand which, when fulfilled, will clear off most of the posts.

28. Produce. I hope to ship about 80 bales skins ex Darwin by this opportunity. The Swan Island wool has not yet been lifted.

29. North Swan. A few head of cattle still remain on this Island - if they are not removed by the time the Camp Manager wishes to put stock on it they will be killed.

30. Cape Meredith Light. This was erected in September last but is not yet working - owing to some defect in the burner.

31. Cadet. I cabled you on 6th instant to the effect that Mr. Langdon could accomodate a cadet and that Government had granted permission to land.

32. I note that Mr. W. M. Dean is due at Buenos Aires on 20th proximo.

33. Ordinance No. 7 of 1935 - Immigration. I understand that Government already realise that this Ordinance is badly drafted and it will probably be amended in the near future.

Encl. 34. Government. I enclose a copy of His Excellency the Governor's speech made at a meeting of the Legislative Council held on 18th instant, at which the Estimates for 1936 were considered.

Pasture Expert. His Excellency is hoping to obtain a grant of £20,000 from the Colonial Development Fund for the improvement of pastures.

Stock Adviser. It is proposed to secure a Stock Adviser from New Zealand for a period of 3 years. It has not yet been stated whether he will also carry out the duties of Stock Inspector.

Encl. Loans to Farmers. I enclose a copy of the Rules governing these loans. I understand that the only farm which has yet applied for a loan is Packe Brothers & Co. - £1,000 for the importation of stock. In view of the conditions of the mortgage Farmers will have to enter into, overdrafts allowed by us against the value of the clip may have to be restricted

Will you kindly discuss this matter with the Sheepowners Association so that their members may realise this.

35. Labour conditions are, if anything, worse than they were in the early part of the year. The failure of the Sealing Co. to obtain men shews this very clearly.

I understand that those ~~men~~ of the men engaged by Farms for the season at His Excellency's express request, who are married, are also receiving substantial allowances from Government for the maintenance of their homes in Stanley. For several years past I have been able to obtain casual labour (i.e. that engaged for a day or less as distinct from men regularly employed on the navy gang), at 1/2d per hour with the usual overtime. These men recently made demands for 1/9d per hour, which rate is paid by the P.S.N. Company - eventually I settled at 1/6d. These men are usually engaged when "Lafonia" has a big cargo to discharge and I wish to work two or three hatches simultaneously. If Government is formulating a definite policy as regards the unemployment ~~xxx~~ question, it has not yet become apparent. So far only temporary expedients are being tried and if they prove unpopular then concessions or exceptions are made, and general dissatisfaction and unsettlement is thereby brought about. It does seem that Government is outwardly endeavouring to place the blame for the Colony's present ills on the Farmers - this is certainly implied in their recent circular re ditching, copy of which was sent you by the Camp Manager.

36. Sheepowners Association. I understand that His Excellency's reply to the Sheepowners letter dated 6th of August was not favourable, but his speech to the Legislative Council (see Para 34) may possibly bear some relation to this matter.

37. The second and final payment of £400, A/c Fitzroy River Bridge, was made by Government on 31st May.

38. Catcher - S.S. "Roydur" (ex St. Stanley) 169 Tons,

Built in 1911 by Aldnaes, Tonsberg.
1 deck, length 106.1, Breadth 20.0,
depth 12.4.

Engines - No. 1. 3 cyl. 12", 20" & 33" - 24"
53 N HP.

I called on 25th instant -

"Roydur" now lying South Georgia surveyed
1932, not since used, suitable lighterage.
Sealing, whaling - inspected by Captain of
"Lafonia", Chief Engineer "Lafonia". Recommend
purchase £250, including 20 Tons coal".

This catcher, which belongs to The Hektor Company,
is in charge of Salvesens at Leith Harbour. She was
docked in March and classed in April, 1932, when she had
14 new plates. I understand she has not been used since.
Her bunker capacity is 70 Tons and her hold will take
61 Tons. She burns about 6 Tons Welsh Coal daily and is
said to make about 10 knots.

She has 20 Tons bunkers on board which are included
in the sale prices. She is eminently suitable for sealing
or whaling, and even if not used for that purpose would
be a useful addition to the lighterage department.

In view of the probable reorganisation of the
Sealing Company, and the development of our rights in
Lafonia. I recommend her purchase.

Captain Roberts and the Chief Engineer of S.S.
"Lafonia" have inspected her, and report that she is in
good condition - she has not, of course, been seen in
Dry Dock. If you approve, and we do purchase her, I shall
send a crew to bring her here by "Lafonia" in March next.
In the meantime Salvesens will continue to look after her.

I am,

Sir,

Your obedient servant,

Manager.

ENCLOSURES.

- ✓ 1. Despatch No. 774.
- ✓ 2. Statement on Accounts No. 76.
- ✓ 3. Remarks on Accounts No. 76.
- ✓ 4. Store Indent No. 741.
- ✓ 5. Remarks on Stores No. 741.
- ✓ 6. Remarks on Naval Fuel Depot No. 48.
- ✓ 7. Engineering Remarks No. 9.
- ✓ 8. Coal Statements (Nov & Dec)
- ✓ 9. "Lafonia" itinerary to 26th June, 1936.
- ✓ 10. New Certificates of Origin for seal oil - "Laplace" & "Lassell" shipments.
- ✓ 11. F.I. Treasury Receipt No. 5754 - Probate duty - Estate B. Stickney.
- ✓ 12. do do " 5944 - Probate Duty - Estate L. Stickney.
- ✓ 13. Deed of Appointment - Estate W. Stickney.
- ✓ 14. F.I. Shipping Report. No. 1/36.
- ✓ 15. Copy of Harbour Regulations 1935.
- ✓ 16. F.I. Gazettes - 1st Dec., 1935 & 1st Jan. 1936.
- ✓ 17. Copy of Stock Inspector's Report 1935.
- ✓ 18. Booklet & application Form of Messrs. Fetzlaff Pisano Co. (Fox Farming)
- ✓ 19. Duplicate specification of "Lafonia" shipment - 27/11/35
- ✓ 20. Coasting Insurances (November)
- ✓ 21. R.M.L. Account (31st December)
- ✓ 22. P.S.N.C. Account (31st December)
- ✓ 23. "Lafonia" Inward Reports Nos. D24, 25, 27, 28 & E.1.
- ✓ 24. Envelope addressed to Managing Director.
- ✓ 25. Photos.
- ✓ 26. Copy of Mr. Watson's explanation re quality of drums "Lassell" shipment of Seal Oil

C O R R E S P O N D E N C E.

Copies of Colonial Secretary's Circular letters to Farm Managers re prices of stores sold to Farm Employees.

Copy of letter to J. E. Hamilton re charter of "Black Swan"

" " " " Col. Sec. dated 4/1/36 re rates fixed Brenton Loch/W. Falkland - "Black Swan"

" " " " from Col. Sec. No. 354/24 re loans to farmers.
" " " " to Messrs. A. Gibbs & Co. re proposed voyage of

"Lafonia" to Coronel.

S P E C I F I C A T I O N S.

Mark	Wool	Skins	Hides	Mark	Wool	Skins	Hides
M.V.		19		TR. Pt. Louis	73	7	
W.K.C.	177			S & S	22	8	
F	127	13		S	82	9	
N.A.	267	14		Z	84	2	
G. McK.	1			TRIANGLE F.B.	63		
TRIANGLED H.		10		S & B	68		
J.L.W.	175	14	60	HEART	51		
L. Roy Cove	74	4		H & B	140		
D & S	51	6		J.H.D. Pebble	75		
W.P.	19				27	16	

No. 774 per "Lafonia" via Montevideo 11/1/36.

P R E C I S

1. Confirms No. 773 and acknowledges receipt of your 1308.
2. Notes your remarks regarding Salvage claim - m.v. "Centoo".
3. Reports progress of Sealing Company. Wages increased to 29 per month. Notes complaint re quality of drums "Jassell" shipment and encloses Mr. Watson's explanation. Encloses new certificates of origin for "Jassell" and "Laplace" shipments.
4. Bernard Stickney deced. Encloses P.I.S. Treasury Receipt No. 5754 - Probate duty.
5. Lawrence Stickney deceased. Encloses P.I.S. Treasury Receipt No. 5944 - Probate duty.
6. Agreement. Messrs. Baillon & Stickney, to hand. Mr. Young proposes to visit this farm after shearing.
7. Encloses deed referred to in your 1308 - 15 (W. Stickney deceased), and which has been registered here, as instructed.
8. Romney Rams & Hereford Bull. The 12 rams reported to be in good order and are all now at Marwin. The bull was landed at Speedwell 17th December.
9. Notes your remarks re sheepskins ex "Colorado" 1 2/35.
10. Steamer movements.
11. s.s. "Lafonia". Encloses itinerary to 26th June next, and advises that she is expected to sail for Magallanes on 26th inst. Comments on a voyage to Coronel which I am considering making during winter. Encloses copy of letter to Messrs. Anthony Gibbs regarding this.
12. Advises that His Excellency the Governor visited the farm from 27th November to 8th December.
13. Refers to new house - Long Island.
14. Farm Managers have been advised of freight rates on produce, 1936. Regrets to note the increase in P.S.N. rates.
15. Advises quantity of produce for shipment for March sales per m.v. "Isadia", and by this "Lafonia".
16. Refers to your telegram dated 23rd December, re renewal of lease - M. Fox Bay Reserve.
17. Advises Lease, Sparrow Cove Reserve, expires 23rd December next.
18. Refers to Company's contribution to Cathedral Custodianship Fund.
19. Reports that auxiliary vessel "Black Swan" ^{is} now stationed in Brenton Loch, and that ~~price~~ rates have been fixed for journeys across Falkland Sound. Advises that Mr. J.E. Hamilton has chartered her for 21 days, commencing from 10th February next.

20. Encloses copy of harbour regulations, 1935.
21. Encloses copy of Colonial Secretary's circular letter to Farm Managers regarding prices which stores were being sold to Farm employees.
22. Draws your attention to Stock Inspector's Report, 1935.
23. Reports that the 3 water boats have been brought from Sparrow Cove into Stanley. One is in too good a condition to break up.
24. It is proposed to convert the old ship Hotel into a dwelling house. Details accommodation provided and what approximate dimensions would be. Requests you to advise Mr. George Bonner.
25. Remittances - I expect that I shall require a remittance from you at the end of January. Notes in circulation.
26. Royal Insurance Co. Ltd. Agency - comments on life business.
27. Encloses booklet and application form issued by Messrs. Fetzlaff Pisano & Co. (Fox Farming). Advises that they have applied for a lease of 200 acres out of the Fox Bay Reserve. Mr. J. Cobb's advices regarding this trade would be appreciated.
28. Enquiry from Magallanes received as to whether we would sell tripes at Killing.
29. Advises "Capricorn's" anchor chain broke during severe gale on 20th December last, and that she drifted ashore N.E. of Marrows. Is now beached opposite the office. An iron lighter also dragged her anchor, and "Gwendolin's" brake drum broke.
30. Encloses copy of letter from Colonial Secretary re "Loans to Farmers".
31. Reports that s.s. "Keip" was dry-docked on 2nd ulto. for survey and painting. Will have to consider replacing her within the next two or three years.
32. Stanley Motorboat No.2 now on West Yard slip for over-haul.
33. s.s. "Roydur". Thanks you for sanctioning the purchase of this vessel, and encloses photo. Can get no confirmation of the rumour that Govt. is buying two whale catchers.
34. Agreements. - modifications consequent on the termination of Mr. J. Wood's Agreement.
35. Refers to ~~xxx~~ our cable dated 21st ulto., advising you that H. McKay's services were not now required. After discussion with Mr. G. Goddard, we have decided to make a trial of amalgamating the posts of bookkeeper & Storekeeper & Camp teacher at Darwin, and advises that Mr. Honeyman will be given the appointment on trial, and will proceed to Darwin in March. Mr. Cresce returns to this office.
36. Sealing Co. has been instructed to prepare 30 wet salted sealskins.

37. Reuters Limited - Advises that Mr. Young has been appointed their representative.
38. Requests permission to dispose of "Lady Elizabeth". Sealing Co. would like her to place at the end of their jatty.
39. Suggests offering "Great Britain" to the Red Hovers Organisation here.
40. Reports that during 1935, tinplates (old stock) have been sold to Montevideo realising £113. 2. 7. net.
41. Acknowledges receipt of your pamphlet No. 1389.
42. Notes advance in prices for November Pool sales.
43. Account sale for 1933 drums Seal Oil ex "Lassell" to hand.

-----000-----

"Lafonia" via Montevideo.

9th January,

36

774.

Sir,

I have to confirm my Despatch No. 773 dated 24th November last, and to acknowledge receipt of your 1388 dated 15th idem.

2. 1388 - 3 n.v. "Centoo" Salvage claim. I note all you write. There is nothing further to report at the moment.

3. 1388 - 10 & my 773 - 5 Sealing Company. As I have since learned that the Sealing Companies have increased the rates of pay, I authorised increasing wages to £9 per month plus the usual bonus, but no overtime. The Sealing Co. was then able to get men and went out on 29th ulto. They have a restricted license from Government, and also one from us covering Lafonia. The old license has now lapsed and I have 36 drums oil on hand to ship against the relative contract.

With reference to the oil now being made, am I to understand that this is to be considered as sold to Glasgow (your cable dated 17th October last) at £19 for "A" and £18 for "B" grade c.i.f. Glasgow? This will probably be shipped in April.

"Lassell" Shipment. I regret to note complaint re quality of the drums, but it is satisfactory to note that the quality of the oil is satisfactory. I enclose explanation of the Manager, Sealing Co., re drums.

Encl.

I foresee that drums will be one of our difficulties

THE MANAGING DIRECTOR,

LONDON.

in the future, as it is becoming increasingly difficult to secure them. New Certificates of Origin for the

Encl. "Jassell" and "Laplace" shipments are enclosed.

Future sales. Can you sell to other ports than Glasgow - this is a difficult and expensive port to book freight to ex Montevideo.

4. 1388 - 12 Bernard Stickney, deceased. I enclose

Encl. F.Is. Treasury ~~xxx~~ receipt No. 5754, dated 29th July, 1935, for Probate Duty.

5. 1388 - 13 Lawrence Stickney, deceased. Also

Encl. No. 5944, dated 12th September, 1935, for Probate Duty.

6. 1388 - 14 Messrs. Baillon & Stickney, Fox Bay.

Agreement to hand. Mr. R. Blake is due here on 16th inst., when I understand that he will probably inspect this farm. I propose to visit Fox Bay West after shearing, and shall send Mr. Hodgson out re accounts matters as soon as our 1935 accounts have been completed.

7. 1388 - 15 W. Stickney deceased. I return the Deed referred to, which has been registered here, as instructed.

8. 1388 - 16 ROMNEY RAMS & HEREFORD BULL. The rams were quarantined on Sea Lion Island, Choiseul Sound (opposite Walker Creek) and are reported to be in good order. Messrs. Dean & Company's three will be shipped to Port Stephens in February. *All are now at Darwin.*

The bull was landed at Speedwell on 17th December.

9. 1388 - 18 Sheepskins ex "Bellorado" 1st September.

I note all you write. I have enquired into this matter and can only ascribe their condition to the abnormal wet weather experienced right through last winter.

10. Steamer movements. S.S. "Lafonia" arrived from Montevideo on 11th December and has since made three wool-collecting voyages. She sails for North Arm, Darwin and

Sitzroy on 9th instant and calls here on 11th idem for mails on her way to Montevideo.

French Cruiser "D'Entrecasteaux" arrived on 10th December and sailed for Montevideo on 13th idem.

French Cruiser "Jeanne d'Arc" arrived on 27th December and sailed for Buenos Aires on 29th idem.

M.V. "Loriga" is due from U.K. on 9th instant, and
xxxxxxxxxxxx M.V. "Losada" and "Loriga" for U.K. on 16th
idem and 29th prox. respectively.

11. S.S. "Lafonia". Itinerary to 26th June next enclosed. She will be dry-docked for bottom painting during February. I have arranged for her to make a voyage to Magallanes between 26th January/7th February. She will ship there 400 tons Coronel Coal, 3000 Cypress Posts, 20 tons cut timber, possibly 30 tons oats and a number of rams for the farm if purchased.

This year she will have one less voyage to South Georgia and two less to Magallanes than in 1935, and I have been considering if the time set free could be profitably used in other directions.

With the increase in outward cargo via Montevideo it is becoming increasingly difficult to keep a safe margin of bunker coal and also supply the Sealing Company. Coronel coal at a price is economical and I am considering making a voyage to Coronel for a full load of coal (including bunkers) say 600 tons, during the winter.

Please advise Underwriters of this possibility. The course from Magallanes on would be the inside passage, regularly followed by Chilean coasting vessels, which enter the South Pacific Ocean at the Gulf of Penas.

I am obtaining a quotation from Messrs. F. W. Schwager & Co. the principal Coronel Mine Owners, and will advise you further on hearing from them.

Should this voyage materialise, would you consider selling

tallow to Talcahuano - there is usually a good demand in Chile. I am enquiring as to this and other possibilities with Messrs. A. Gibbs & Co. (Copy of letter to them enclosed) and will revert later.

12. His Excellency the Governor visited the Farm from 27th November to 3th December, during which time he stayed at Darwin 3 days, North Arm 2 days and Fitzroy 1 day. He was very interested in all he saw and commented favourably on the manner in which the Farm was equipped.

13. New House - Long Island. With reference to paragraph 3 in Camp Manager's Despatch dated 21st November last, after a further discussion with Mr. Goddard I wrote to Mr. W. M. Dean at Montevideo requesting his approval of our framing this house in Stanley - which he gave. I therefore cabled you to this effect on 23rd December. Our estimate is £324 as compared with Bain's £270 plus about £100 for freight and landing charges.

14. Freight rates on produce 1936. I note that the rates for 1936 are -

<u>P.E.M.S.</u>	<u>P.I.S.</u>	<u>TOTAL</u>	
£4. 17. 9.	£3. 17. 3.	£8. 15. -.	with Jetty.
£4. 17. 9.	£4. 17. 3.	£9. 15. -.	no Jetty.

no rebate - and Farm Managers have been notified accordingly.

I regret to note that the Pacific Steam Navigation Co. Ltd. have increased their rates, which nullifies to a considerable extent the reduction we had decided to make on our proportion. I am of opinion that we should reduce the number of bales given them next year which might permit of our quoting a lower rate via Montevideo, but I will defer discussion of this until I receive your mail advices.

15. Produce shipments - January. We have collected 2375 bales for shipment by m.v. "Losada" due 16th instant, and about 750 bales go forward by this "LaFonia".

16. Renewal of Lease - R. Fox Bay Reserve. With reference to your telegram dated 23rd ulto. re Fox Bay East Reserve, I applied for a renewal on 24th idem, but have not yet received an answer.

17. Sparrow Cove Reserve. I beg to draw your attention to my Remarks on Accounts No. 67, para No. 15, dated 7th March last, and to your acknowledgement dated 12th April. This expires on 23rd December next. Please forward the lease for renewal.

18. Company's contribution to the Cathedral Sustentation Fund. I have always understood that the Company's contribution is fixed at half the aggregate amount subscribed in each year by other Farmers, but that this does not apply to any subscriptions collected from any other sources - please confirm.

19. Auxiliary vessel "Black Swan" is now stationed in Brenton Loch. As it is possible that she may be chartered for journeys across Falkland Sound, the Camp Manager and myself thought it advisable to fix rates before the question arose. These have been fixed at -

Brenton Loch to Port Howard or vice versa	£10. -.	-. -.
" " " " Fox Bay	£12. 10. -.	-. -.

if calling at Port San Carlos or San Carlos South -
£1 additional to above.

She has been chartered by Mr. J. E. Hamilton of the "Discovery" Research Committee for a period up to 21 days commencing from 10th February next at £3 per day. I understand that Mr. Hamilton has to estimate the number of seals on several islands in the Sound.

Incl. 20. I enclose copy of the Harbour Regulations 1935. This has reference to my No. 773/35 (lines 8-15), and does not affect our present position. It will, however, affect such vessels as "Lovart" when they call at Stanley.

21. With reference to the Colonial Secretary's Circular letter No. 98/35, dated 19th September last,

addressed to Farm managers, dealing with the prices at which stores were being sold to Farm employees. I now enclose copy of a further circular No. 98/35, dated 10th instant, from which you will observe that Government are now satisfied that stores are sold at reasonable prices.

22. I beg to draw your attention to the Stock Inspector's report for 1935, dated 5th September last, and his letter dated 6th idem, published in the F.I.Gazette dated 1st December - pages 153 and 157/8.

23. With reference to Hvalfangerforeningen (Whaling Companies Association) letter to you, No. 752, dated 15th July last. I have now brought the three water boats from Sparrow Cove to Stanley. On examination, I find that one is certainly too good to break up, but it requires attention now, as it is depreciating rapidly. This boat is being put into good order and the others will be carefully examined and a decision come to when it is completed. I therefore suggest that you advise the Whaling Association we have taken their three boats over and, should any of their members' vessels call at Stanley, we think it would be equitable if we undertook to allow them to use such of these water boats as might then be in use, free of charge. During the past six weeks three vessels calling here have required water and there has been no means of supplying them. "Fordsdale" required 400 tons, "D'entrecasteaux" 50 tons and "Jeanne d'Arc" 100 tons.

24. Conversion of the old Ship Hotel to a dwelling house. When the new Ship Hotel has been completed and is occupied, I propose to convert the old Ship Hotel into a dwelling house. When I was in England, Mr. G. Bonner informed me that he would like to have a residence in Stanley, and I suggest that we offer this house to him on a 5 or 7 year lease at £65 per annum - inclusive of rates. It will convert into an attractive house with all main rooms facing North -

the accommodation provided, with approximate dimensions, would be -

Ground Floor.

Porch - about 10' x 10', opening into
Hall - 5' x 12'
Drawing-room - 14' x 21'
Dining-room - 14½' x 12'
Study 8' x 11½'
Entry 13' x 6'
Kitchen 9' x 12'
Store Cupboard 3½' x 6'

Outside W.C. (flush)

First Floor.

Bedroom 10' x 21'
2 -do- 13½' x 10'
Maid's bedroom 10' x 8'
Bathroom and
W.C. 8½' x 5'
Heated linen
cupboard 4' x 5'

Cupboards fitted in bedrooms.

Hot water supplied from No.9 Stanley Range.

Walls would be painted or selected three ply - oiled.

Electric light

Heat shed, wash house.

This house could be got ready for occupation by the end of 1936. Good furniture can be bought reasonably in Montevideo. Please let me know by return mail if this interests Mr. Bonner.
25. Remittances. As the wool export tax will have to be paid on shipment, I expect that I shall require a remittance from you at the end of January.

Notes in circulation. An extraordinary position arose just before Christmas. We had £2,100 on deposit with Government and anticipating heavy payments, endeavoured to withdraw this amount. Government had practically no cash, could only let us have £250. and by deferring payment of ^{one} large cheque we just managed to keep paying, but had £100 only by closing time on 24th ulto. The notes in circulation now total £22,000 - of this Government and ourselves held less than £1,000 on 21st ulto.

26. Royal Insurance Co. Ltd. Agency. We do practically no life business and, with a view to stimulating this, I am

paying an amount equivalent to our first year's commission to persons introducing new business. This has already brought in three proposals.

27. Fox Farming. I enclose a booklet and application form issued by Messrs. Petzlaff Pisano & Co. Shares are now of £10 each and not £100 as stated therein. They have applied for a lease of 200 acres out of the Fox Bay reserve but I do not know whether this has yet been granted. They are now canvassing for capital on West Falkland and have already received promises from a number of persons on the East, but it is doubtful whether they will get all they require.

It would appear that this business might be profitable to the person selling breeding stock but it is doubtful whether breeding for pelts on a large scale would pay. It might pay a farmer to have a few breeding pairs if he can buy them at a reasonable price, as his labour costs would be trifling and he could use scraps for meat.

If this Company commences operations I do not consider that we should allow them any credit unless they ship their pelts through us, and then only against actual shipment.

I should appreciate Mr. J. Cobb's advice regarding this trade, also a pro-forma invoice showing London charges.

28. Tripes. I had an indirect enquiry from Magallanes as to whether we would sell these at killing. After discussion with Mr. Coddard, I offered them at 1d each on the killing floor, space for cleaning and to supply buyer's labourers with meat. I will advise you if business results.

29. Capricorn. A heavy gale blew on 18th December last and a more severe one two days later. During the latter Capricorn's anchor chain broke and she drifted ashore north east of the Harrows. She was refloated on 23rd idem, is now beached opposite the Office and will be put at moor-

-ings as soon as these can be laid. During the same gale the brake-drum on "Gwendolin" broke and the chain ran out. Fortunately she then held - The necessary repairs are in hand. An iron lighter also dragged her anchor during this gale but was got hold of before any damage was done.

30. With reference to my 773/34 "Loans to Farmers" and my letter dated 26th November last to the Colonial Secretary,

Encl. I now enclose copy of his reply No. 354 - 24, dated 13th ulto., from which you will note that Government has agreed to omit "produce" from mortgages executed in respect of loans from the Land Sales Fund for developing of farms.

31. s.l. "Kelp" was placed on the floating dock on 2nd ulto for survey and painting, together with the two iron lighters. They were undocked on 10th idem.

s.l. "Kelp". This launch which was originally built of thin plating is getting very thin under the machinery and boiler spaces. It would be an expensive job to remove these and renew the plating, which the general condition and age of the vessel, does not warrant. Doubling plates have been fitted where required, but we shall probably have to consider replacing her within the next two or three years.

The two/iron lighters were found to be in a satisfactory condition.

32. Stanley Motor boat No. 2 is now on the West Yard slip for overhaul.

33. s.s. "Roydur". I thank you for your sanctioning the purchase of this vessel. She should be very useful to us - she has a good hold and could be used as a lighter, for emergency calls and for whaling or sealing. You have doubtless completed the purchase with the Hektor Co. and insured her against port risk. Please let me know the premium for a single voyage from South Georgia to Stanley. Salvageurs are looking after her for us.

Encl. I enclose a photo - the catcher nearest the camera is "Roydur".

With reference to your cable dated 27th November last, I can get no confirmation of the rumour that Government is buying two whale catchers - they are, I believe, enquiring about a sea going motor boat to replace S.A. "Penguin".

34. Agreements. Several agreements have been modified consequent on the changes necessitated by the termination of Mr. J. F. Wood's agreement.

Mr. Creece, who took over from him, has had his salary increased to £280 - 295 - 310.

Mr. H. Thompson, who took over the duties of Cashier on Mr. Creece's transfer to Darwin, has had his salary increased to £250 rising by £10 to £290. Mr. Honeyman who was brought into my office, in place of Mr. Thompson, has been granted £225 plus £35 House Allowance.

35. Schoolteacher Darwin. With reference to my cable dated 21st ulto. advising you that I did not now require H. Honey's services. Whilst I was at Darwin I took the opportunity of discussing the work of the Camp Clerk and Storekeeper with Mr. Goodard and on further enquiry with Mr. Creece came to the conclusion that it is not an all time job. The men's accounts are simple, the Camp Manager's demands on the clerk's time are slight and the Store is well served by A. Finlayson. We therefore decided to make a trial of amalgamating the posts of Book-keeper and Storekeeper and Camp teacher, and as Mr. Honeyman has experience as a teacher he will be given the appointment on trial. This will bring about a saving in salary and passages and will be closely watched. If it does not prove satisfactory I will then ask you to send out a Camp teacher. Mr. Honeyman will return to Darwin in March and Mr. Creece will come back to this Office. He will take over the accounts under Mr. Hodgson's supervision, who will then be free to better supervise the general work of the office.

36. Net Salted Sealskins. With reference to your cable

dated 6th instant, I have instructed the Sealing Company to prepare 30 wet salted sealskins, various weights, and in good condition and these will be sent you when received.

37. Reuters Limited have now notified me that they have appointed me their representative in the colony.

38. Lady Elizabeth. I should like to be free of this hulk - she has a constant leak and, though the windmill pump keeps her free, the pump itself requires constant attention. The Sealing Company would like her to place at the end of their jetty and in the event of that company being reorganized I request permission to dispose of her. I suggest that a value of £500, as she lies, be placed on her. The Sealing Company would do the towage. I hope that eventually we shall take over M.V. "Albemarle", ex "Bellville". She will make a fine coaling hulk particularly as she has power.

39. Great Britain. With reference to your 1360 - 11, reading -

"The Board approves of whatever you decide to do with this old vessel so long as you ensure that it does not get into other hands so as to be made use of in Stanley by anyone outside the Company as a hulk or Jetty."

It has occurred to me that a satisfactory method of disposing of this hulk would be to offer her to the Sea Rovers Organisation here. I would, of course, ensure that we are covered against any misuse of the hulk. You are doubtless aware of the great interest which is still shown in her and if she can be preserved without expense to us I think it is all to the good.

40. Tinplates. During 1935, 210 cases of the old stock (canning) have been sold to Montevideo, and realised £113. 8. 7. net.

41. I have to acknowledge receipt of your Despatch No. 1339, dated 25th November last.

42. November Wool Sales. The advance in prices is

and satisfactory. I trust it will continue for the March series.

43. Sealing Company. Account sale for 1033 drums oil ex "Massell" to hand. The charge for dirt money is noted.

I am,

Sir,

Your obedient servant,

Manager.

ENCLOSURES.

1. Despatch No. 775.
2. Statement on Accounts No. 76.
3. Remarks on Accounts No. 76.
4. Store Indent No. 742.
5. Remarks on Stores No. 742.
6. F.I. Shipping Report No. 2/36.
7. Coasting Insurances (December)
8. Photos.

CORRESPONDENCE.

Copy of letter to Colonial Secretary applying for extension of lease - Fox Bay East Reserve.

Copy of letter to Colonial Secretary re renewal of Mail Contract.

Copy of letter from Colonial Secretary re renewal of lease - Government reserve at Foxbay.

SPECIFICATIONS.

<u>Mark</u>	<u>Wool</u>	<u>Skins</u>	<u>Tallow</u>	<u>Hides.</u>
F S		8		
F.I.C. S.I.	19	4		
W.K.C.		43		
McG.	2	10		
B.B.	18	1		
M.V.	5			
Y	16	10		

P R E C I S

1. Confirms No. 774.
2. Reports progress of Sealing Company.
3. Reports arrival of Mr. R. Blake on 17th instant.
4. Advises that "Great Britain" will be dealt with as previously intended.
5. Refers to the renewal of the Mail Contract. Encloses copy of letter to Colonial Secretary summarising the amendments I have proposed.
6. Advises that 28 rats have been purchased from the Coast by Mr. Blake - and on arrival will be quarantined on Hare Island, Choiseul Sound.
7. Advises quantity of produce shipped per "Lafonia" on 11th instant, and s.v. "Losada".
8. Refers to the damage done to Fort Howard & Roy Cove Jetties by s.s. "Lafonia" - March & November last.
9. Steamer movements.
10. Advises that Mr. J.B. Greener proceeds on leave on 9th March next.
11. Advises that Mr. Young proposes to visit Magallanes between 12/27th February next.

-----000-----

m.v. "Losada"

29th January, 36

775.

Sir,

I have to confirm my Deepatch no. 774 dated 9th instant.

2. Sealing Company. I understand that the Sealing Co., have made about 60 tons oil to 15th instant, but that sea-elephants appear to be leaving.

"Infonia" will discharge drums and coal at Alborale en route to Magellanes about 26th instant.

3. Mr. R. Blake arrived per m.v. "Losada" on 17th instant. He proceeds to Darwin and Hill Cove on 24th idem.

4. With reference to my 774 - 39, the Sea Rovers fear that the care of "Great Britain" is too great an undertaking for them. She will therefore be dealt with as previously intended; stranded in Fairy Cove and any timber which might be of use removed.

5. Mail Contract. I have had a preliminary discussion with Government regarding the renewal of the mail contract, and enclose copy of my letter dated 16th instant to the Colonial Secretary which briefly summarises the amendments I have proposed. They are not of very great importance, neither has Government proposed any material amendment as yet.

6. Rams ex Coast. Mr. Blake advises me that he has purchased 23 rams from Gondor and Denton stations. If possible they will be shipped at Denton. They will be

THE MANAGING DIRECTOR,

LONDON.

7. Shipment of produce. a shipped -

793 sales per "LaFonia" - 11th instant.
2,4126 " " "Locada" - 21st instant.
 3,2059

3. U.S. "Albatross" damaged the Jetty at Port Howard on 18th March, 1935, and Roy Cove on 3rd November, 1935.

9. Steamer movements. S.V. "Mosada" arrived from
Sagallanes on 17th instant and will sail about 20th idem.

I have been advised that the outward P.O.N. sailings for 1936 are -

"Lonsdale" from Liverpool	- 4th April.
"Ingarto" " "	11th July.
"Lonsdale" " "	12th September.
"Ingarto" " "	14th November.

m.v. "Loriga" is due here on 29th proximo and will load the balance of wool under our 1936 contract with the F.B.W.Co.

m.v. "Ingarto" is to call here second half April for passengers.

10. Mr. J. D. Greener proceeds on leave on 9th March next, per "Eufonia"/"Highland Monarch", and is due in London on 9th April.

11. I propose to visit Magallanes between 12/27th February proceeding there by "Reina del Pacifico" and returning by "Loripa".

1 350.

Sir,

Your obedient servant,

manages.

P R E C I S.
- - - - -

1. Acknowledges receipt of your Nos. 1390 & 1391. and confirms No. 775.
2. F.Is. & D. Sealing Co. - Drums.
License to Seal in Lafonia.
3. s.s."Roydur" - Insurance, additions to "New Standard" Code.
4. Notes contract with Wilson Sons & Co.Ltd.
5. Notes your remarks re Wool freight contract.
6. Deanery, New building. Encloses copy of letter to Rev. Dr.R.T.Sade.
7. Admiralty Oil barge O.C.82. - Confirms/telegram dated 29th January.
our
8. s.s."Lafonia" - oil fuel.
Mileage 1935.
Movements.
passengers.
9. Advises precautions taken with Goose Green Boiler.
10. Advises movements of M.V."Port Edgar".
11. Cattle on North Swan Island.
12. Advises despatch of Surveyor's Report on s.s."Lafonia" - 13th December last.
13. Remarks on P.S.W.C. Agency.
of
14. Reports increase/leak in hulk "Lady Elizabeth".
15. "Capricorn" & Gwendolin".
16. New House - Long Island.
17. Remittances - may not require a further remittance until end of March next.
18. Advises that an estimate for repairs to the Reservoir at Naval Fuel Depot, is being sent you this mail.
19. Position of Provident Fund at 31st December, 1935.
20. Advises m.v."Reina del Pacifico" due here A.M. 9th inst.
21. Reports departure of Mr. R. Blake for the Farm on 24th January. and advises that Mr. Young expects to leave for Magallanes 9th instant.
22. Advises that Government is erecting a bridge over the Murrell River.
23. Remarks on wireless equipment - s.s."Lafonia".
24. Ram hoggets shown in Cattle Fair at Porto Alegre.
Encloses copy of letter from Cranston Woodhead.

m.v. "Reina del Pacifico"

8th February,

36.

776.

Sir,

I have to acknowledge receipt of your despatches Nos. 1390 & 1391, dated 24th & 27th December, 1935, respectively - and to confirm my No. 775 dated 20th ulto. 2. 1390 - 2 & 1391 - 3,4,5. F.I.S. & D. Sealing Co. Ltd.

690 drums ex "Laplace". I note all you write - it is satisfactory to hear that the quality is good.

Drums. With reference to telegrams exchanged there are about 1,250 Montevideo drums on hand, but a quantity of 90 gallon drums will be ordered shortly - for transhipment at Montevideo. Can you usually obtain these drums, or is there only a limited quantity available? With reference to your indication that you could probably obtain £22 c.i.f. Glasgow for oil in 90 gallon drums, I presume that this indicates a premium of about £2 per ton, which makes these drums very attractive. I regret to note the damage by oil to maize in "Lassell".

Certificate of Origin. Noted.

License to seal in Lafonia. Sealing was carried on from 31st December, 1935, to 30th January, 1936 - about 50 tons oil was made and is in Stanley awaiting shipment. I will deal with the matter of our LICENSE FEES when the parcel is shipped. As the seal were taking off, operations were suspended but may be resumed in March. Mr. Watson reports

THE MANAGING DIRECTOR,

LONDON.

that seals appear to be very plentiful around Infonia. Apart from hair-seals - elephants are said to haul up, at certain seasons, on Speedwell, George, Barron, Sea Lions, East Sea Lions, the Motleys, Elephant ^{CAYS,} ~~islands~~, Driftwood and Bull Point - and hair-seals on Barron (males), Blind (females) and two small islands off Barron. I hope to obtain more detailed information shortly - if seal are as plentiful as stated. I am of opinion that in future we should undertake sealing as a part of our general business, either on our own account, or in collaboration with a Sealing Company.

3. 1390 - 3 "Roydur". Captain Robert's report on this vessel was sent with my No. 773.

Please insure her for the voyage from South Georgia to Stanley, sometime between 15th March - 15th April.

The following additions are being made to the "New Standard" Code -

<u>Page No.</u>	<u>Cypher.</u>	<u>Phrase.</u>
570.	WQAYO	s.s. "Roydur"
"	WQNIA	-do- sailed for
"	WQOAG	-do- arrived from
"	WQODA	-do- dry-docked on
"	WQOSQ	-do- undocked on.

She will be placed on the Floating dock on arrival here.

4. 1390 - 4, 1391 - 3 Coal Contract, Montevideo.

I note that you have contracted with Messrs. Wilson Sons & Co. Ltd. for bunker coal at 37/- less 1/6d, also that they have alternate sources of supply in the event of a coal strike in England.

5. 1390 - 5 Wool Freight Contract. I note all you write.

6. 1390 - 8 Peanery - New building. I enclose copy of my letter dated 29th ultimo to the Rev. Dr. R.T. Wade, in this connection.

7. 1390 - 9 Admiralty Oil Barge C.82. I confirm my telegram dated 29th ulto. -

With reference to Admiralty letter dated 29/12/35, "I consider the possible life of the C.82 in its present condition to be one or two years, without periodical docking, but we cannot commit ourselves any definite period. See our June Report, 1933, giving drill test thicknesses hull plating."

The Admiralty's standpoint in this matter certainly is surprising.

8. 1390 - 11 s.s. "Lafonia". Oil Fuel. Although I am of opinion that it would pay us to convert "Lafonia" to oil fuel, as the conversion would have to be carried out in Montevideo I fear it is out of the question at present.

Mileage in 1935 was approximately 34,813.

Movements. s.s. "Lafonia" sailed for Magallanes on 24th ulto. and arrived back on 4th instant. She brought

425 Tons coal
28 Rams
3,000 Posts.
1,067 pieces cut timber.
6 passengers.

She then proceeded to Darwin, and landed the rams on Hare Island. She attends "Reina del Pacifico" on 9th instant, then makes two inter-island voyages collecting produce for "Loriga". She will be dry-docked for bottom painting towards the end of this month. She then loads produce at Company's Stations for via Montevideo, and sails for that port, via Hill Cove, about 7th proximo.

Passengers by that opportunity include -

Mr & Miss Blake } who proceed to U.K. by
Mr & Mrs Greener } "H. Monarch" sailing 20th prox.
Mrs. L.W.H. Young - "Alcantara" sailing 14th March.

9. 1391 - 6 Goose Green Boiler. Every precaution was taken with this boiler whilst in Stanley. The exterior was painted twice, the doors were removed, interior dried out, doors replaced and made airtight,

and smoke tubes greased internally and plugged with wood plugs. Before steam is raised, the interior will be given a coat of boiler apexior. This arrests bleeding, which is a common occurrence in new boilers and, which if not arrested in its early stages, causes general surface corrosion.

10. M.V. "Port Edgar" ex "Albemarle" ex "Bellville". This is the present name of the vessel. Please advise Underwriters.

She arrived in Stanley on 30th ultimo and will probably be placed on the Floating Dock in March. In the meantime I shall probably store Coronel coal in her. The Admiralty has approached the Sealing Company enquiring if she is for sale, presumably with a view to converting her to an oil barge.

11. 1391 - 16 North Swan Island. The cattle left on this Island remain from Mr. Evans tenure.

12. 1391 - 22 Harvevor's Report - S.S. "Lafofia". Mr. Thomson sent this direct to Lloyd's Register by the mail despatched by French Sloop on 13th December last.

13. P.S.N. Co. Agency. A Mr. Yeaton, from the Valparaiso Office, Freight Department, arrived by "Losada" and returns by "Reina del Pacifico". He has interviewed His Excellency the Governor, several Government Officials, also importers and several farmers. The P.S.N. appear to be very worried over the decline in their trade with the Colony, but they appear to have nothing better to offer in the xxx matter of an improved service.

14. "Lady Elizabeth" - 774 - 38. You will recollect that this hulk has always leaked to a certain extent, which was held in check by a windmill pump. This leak has suddenly increased and I have had to pump frequently with "Zelp". I therefore propose to put her on a sandy beach to the East of the Harbour until her future is decided.

15. Capricorn, 774 - 29. She has been given additional chain and a heavy anchor, will be floated on next Spring tides and put to anchor.

Uwendolin is now safe, and a heavy anchor has been fitted to the iron lighter which dragged.

16. 774 - 13 New House, Long Island. Flat covering sheets, as suggested by the Camp Manager, have been indented for, but after discussion it has been decided that the roof be of galvanized corrugated sheets, and not composition tiles.

17. Remittances. I required £3,000 at the end of January, but may not require a further remittance until the end of March next. The wool export tax is now being paid on shipment - which explains our heavy requirements last month.

18. Reservoir - Naval Fuel Depot. ~~the~~ estimate for necessary repairs is being sent you by this mail. When I last called at the Admiralty, I was instructed verbally to proceed with this job, but as the cost is high, consider ^{WRITTEN} that instructions should first be obtained. Code words have been allotted so that you can cable us if this is given.

19. Provident Fund. The position of the fund at 31st December, 1935 was -

Cash with Lloyds Bank	£100. -.	Subscriptions	£7367. 4. 8
" " Govt. Savings Bank.	7570.13. 9.	contributions.	
		P.I.Co.Ltd.	69. 1. -
		Dividends &	
		Interest.	234. 8. 1
	£ 7670.13. 9.		£ 7670.13. 9
	=====		=====

Total Subscriptions 1935 £2023. 15. 1.
Company's 10% 202. 7. 6.

20. m.v. "Reina del Pacifico" is due here A.M. on 9th instant, and sails in the afternoon. The usual arrangements are being made for handling tourists.

21. Mr. R. Blake went out to the Farm on 24th ultimo

and proceeds to the West Falklands on 7th instant.

I am visiting Darwin on 6th instant and expect to leave for Magallanes on 9th instant, returning on 29th idem.

22. Murrell River. Government is now erecting a bridge across this river on our camp.

23. S.S. "Lafonia" - Wireless equipment. Transformer, your 1390 - 11.

The original Transformer fused - owing to chafed insulation on one of the terminals. The new transformer sent out has only seven terminals, instead of eight on the original model. Please let me know if this is a newer type, and what modifications, if any, can be made to suit the set.

It might be advisable to replace the one sent with a transformer similar to the original supplied in 1931.

Transmitter. This has been giving a certain amount of trouble recently. All the lead-covered wiring has been replaced with new, but the set is only giving erratic service at present. This is receiving attention.

Direction Finder. The set was installed in Montevideo in March, 1934, and calibrated at Leith Harbour, South Georgia, in October, 1934. As the errors found on this occasion seemed unaccountably large, an opportunity will be taken, when time permits, to re-calibrate in Stanley Harbour where conditions are more favourable. It has not been possible to check these errors in practice, and to avoid risks, the ship's head has been brought to the direction of the D.F. station when requiring a bearing. Reliable bearings have always been obtained in this way. When re-calibrated, a further report will be forwarded, and more detailed results given.

24. 1391 - 11 Ram Hoggets shipped to Brazil. I enclose copy of Messrs. Cranston Woodhead's letter dated 30th December, last, regarding these rams from which you will observe that they were shown in the Cattle Fair

at Porto Alegre and the Page Stock Show, and although they realised top prices in their class, the sale price realised only just about covered all handling charges, which is, of course, disappointing. However, this shipment was by way of experiment and I consider that the matter is worth following up as it will be both advantageous to the Farm, and to "Lafonia", and if we can find a market for our flock rams when we have them to spare.

I am,

Sir,

Your obedient servant,

Manager.

ENCLOSURES

1. Despatch No. 776.
2. Statement on Accounts No. 77.
3. Remarks on Accounts No. 77.
4. Store Indent No. 743.
5. Remarks on Stores No. 743.
6. Remarks on Naval Fuel Depot No. 49.
7. F.I. Shipping Report No. 3/36.
8. F.I. Gazettes - 21/1, 22/1, 25/1/36.
9. Duplicate specification of "Losada" shipment - 19/1/36.
10. "Lafonia" Inward Report Voyage N.1.
11. Return of Establishment & Wages - (All farm sections)
12. Copies of "Losada" homeward ~~XXX~~ Bills of Lading.
13. Notes re Worms in sheep.

CORRESPONDENCE.

Copy of letter to Rev. Dr. R.T. Wade regarding Deanery - New building.

Copy of Air Mail letter despatched via Magallanes dated 24/1/36

" " Letter from Cranston Woodhead & Co. re ~~XXXXXX~~ sale of Ram Hoggetts South Brazil.

SPECIFICATIONS.

<u>Mark</u>	<u>Wool</u>	<u>Skins</u>	<u>Tallow</u>	<u>Hides.</u>
D.H.	241			
TRIANGLE D.H.	1			

Sir,

With further reference to my Despatch No. 761 dated 1st September, 1934, which dealt exclusively with shipping and allied matters, and to the several discussions I was enabled to have with you and the Board of Directors when in England last year. Whilst I have no reason to modify the conclusions placed before you in that Despatch I fully appreciate the Board's views thereon and have been giving the matter further consideration on the basis of a possible working arrangement between the Royal Mail Lines and ourselves but before going on with this proposal, desire to place the matter before you again from another angle.

2. I am of opinion that the need for some improvement in overseas communications is more pressing than ever. We have established a profitable trade with S.S. "Lafonia" and give good service but it is very doubtful whether we can hope to hold indefinitely all we have gained, unless we improve the service. This can only be done with a larger and faster vessel. Our present position is most vulnerable and can probably be maintained only so long as low prices for the Colony's produce prevail. Given an improvement, an increase in passenger traffic is almost certain which will surely give rise to a strong demand for improved travelling facilities. I do not think it at all likely that the P.M.N.C. will be in a position to provide these, but given sufficient inducement, I see no reason why Menéndez or Beltrán might not be persuaded

Yours faithfully,
THE MANAGING DIRECTOR,
LONDON.

to put on one of their passenger vessels, Fort Stanley to Montevideo in April/May, returning September/October, and if they did consider such a proposal it would certainly not be unreasonable for them to ask for a proportion of the Colony's freight and slowly but surely gain a footing in the Colony's shipping trade, to our detriment. Should this be put forward as a practical proposition, could we oppose it in view of our clients and Government's demand for improved facilities which we were unwilling or unable to provide ourselves. I do not think so, however much we disliked it. The resultant loss to us financially, to our shipping business and to our prestige would be considerable. It should be noted that in the past, when times were good, the number of passengers travelling home by F.M.S.C. mail-boat in May, returning in September, ranged from 60 to 120 return fares which should provide sufficient inducement for the Companies named.

5. My present proposal is that we should dispose of s.s. "Lafonia" now and replace her by a larger second hand vessel, resign the F.M.S.C. agency and divert all our traffic to "Lin Montevideo". The previous proposal which included a regular service to South Brazil ports and Magallanes would be left in abeyance for the present. The new vessel would make about 1. voyages yearly to Montevideo, 2 voyages to South Georgia and an interisland voyage each month. She would have ample time to carry out this programme and still have time in hand for all occasional voyages to Magallanes or South Brazil. This course would make our shipping business much more secure and be advantageous to the several interests in the Colony. These advantages and other relevant points are (a) we should then be in a position to stabilise freights on produce. We are now more or less in the hands of the F.M.S.C. who successfully obtained an increase on produce both from the

Colony and Magillanes, this season and who doubtless look to getting the rates back to 1935 level. (b) With the whole of the Colony's imports entering via Montevideo we could offer the clients some relief in the matter of Stanley transshipment charges on their stores, as it would be a simple matter to give the farms direct delivery, say once or twice a year. Though freights would be kept on present levels. (c) There will be no necessity to replace "Isip", the number of lighters to be maintained would be much reduced as would the maintenance of hulks. (d) A regular monthly service between Montevideo and Port Stanley with a larger and faster vessel should satisfy the Government and our clients, and also tend to increase passenger traffic. As regards getting wool home to the market for the March and May sales we should have no difficulty in getting the same quantities home as at present. (e) Although I should be agreeable to our having the Royal Mail Lines as a partner in an improved service if this is the only means by which such an improvement can be brought about, I should much prefer that we were not encumbered in any way. It is most desirable that if you can possibly carry this through on our own, we do so. We have very definite interests in the Colony, whereas a partner might at times require us to pursue a policy which might not fit in with our other interests. Moreover if we were free we should then be able to bargain with the Royal Mail Lines, having the whole of our passenger and import trade to offer. (f) With regular monthly importations we should carry on our stores business with smaller stocks. (g) We should increase employment in the Colony which benefits us indirectly. Although there would be no decrease in the number of men we now employ in Stanley their labour could be made better use of if our shipping is working to a timetable. (h) I am of opinion that a vessel of 1500 - 2000 gross tonnage can work at any

of our regular anchorages in the colony.

4. I have discussed these proposals ~~informally~~ informally with H.E. the Governor, and in view of the additional employment they would create and the improvement in overseas communications, am of opinion that he would favourably consider a yearly subsidy of £5,000 for -

Return

12/voynage Port Stanley Montevideo.

2 return voyages Port Stanley/South Georgia.

5. Providing that a vessel is suitable for the trade and in fair condition I should have no objection to an old vessel, as this would enable us to prove to what extent the service would pay and the possibilities of extension. We could then, later, build a vessel specially for the trade if and when the case is proved. There are however matters for discussion if you agree to this new proposal in principle. The main essentials for the vessel are -

Passenger accommodation

Cubic capacity - say 60/90,000 ft.

Speed - minimum 12 knots under normal conditions.

The transit Port Stanley Montevideo would then be 34 days, giving a regular monthly ~~transit~~ through transit Port Stanley/United Kingdom and vice versa of 30 34 days.

Cost. A vessel of the required dimensions, 17 18 years old would probably cost between £5/10,000, a comparatively modern vessel £30/40,000.

I estimate the market value of s.s. "Lafonia" at £20,000.

A vessel which interested me was s.s. "Alnwick", particulars of which were sent to me by Messrs. T. McLaren & Co., Shipbrokers of Glasgow. These are -

s.s. "Alnwick" - Tonnage 1,406 gross - 615 nett.

36 ft by 48' 9" by 16' 8". Mast loaded 16' 3".

light - 11' 2".

Cubic Capacity - Saloon about 30,000 - three hatches, 4 winches, 4 derricks.

Triple expansion engines - 2 s.s. boilers - forced draft.

Speed - 14 knots on about 26 tons of coal.

13	22
12	19
11	17

71 First class passengers

16 Second class passengers.

Owned by Tyne Tote Shipping Company Limited, trades between the Tyne and London.

Built by Swan, Hunter and Wigham Richardson Ltd. in 1928.

Classed 100 A.1. s.s. No. 1. 1933. Now about due for survey.

Price asked about \$10,000 - as she would have to be surveyed she should be obtainable at well under that figure, and I could estimate her cost, surveyed and fitted for burning oil (which I consider essential for a vessel of this size in our trade) at about \$10,000.

6. As to earnings and expenditure I base these on what has actually been accomplished with s.s. "Tatonia", plus the earnings which would accrue consequent on our handling the whole of the colony's trade. Nothing has been calculated for possible developments.

Estimate. Earnings \$30,000
Expenditure \$20,000

leaving a balance of \$10,000 to cover depreciation, management and profit. I regard these estimates as being most conservative.

7. As to possible developments, the most likely appear to be in Magallanes, where communications with the United Kingdom are definitely had and direct sailings at certain seasons between Magallanes and Montevideo would be attractive particularly to the British community. This is well known to you so I will only deal briefly with it. During my recent visit to Magallanes Mr. J. E. Dean and I discussed these matters with Mr. L. H. S. Greer of the Exploradora Co. His views were distinctly favourable. He considered that there was an opening for such a service and so far as his Company were concerned he could then and there offer us also the stores for that term their Las Vegas wool ex Gallegos - about 550 bales, with a prospect of more cargo when we had established ourselves in the trade. As regards passengers about 15 to 20 wool classers return passengers yearly - who are now sent by any convenient route at heavy expense. He also said how difficult their employees found it to obtain passages home. They had six families going this year and not one of them knew as yet how they could travel. Fares were high and passengers via Buenos Aires usually have to pay Argentine taxes and heavy transshipment expenses awaiting on-carrying vessels. Mr.

Greene's views may be said to be representative, and as Mr. Trench, the U.S.N.M.'s representative there, was taking great interest in our movements, I did not discuss these matters with anyone else other than Mr. Dick, whose views are also favourable, but I consider that development is certainly possible on these lines - no definite bid to be made for traffic, but a footing could slowly be obtained by entering for the movements of small mail steamers to meet the convenience of employers. Seasonal movements of passengers. Not definitely competing for produce or for imports, but taking what comes our way - with the Exploradora, Joseph Moore & Co, Valdez & Reed, Dick & Drake, we can surely rely on a certain amount of support. Direct and quick to the Colony. There also appears to be an opening for importing mutton sheep into Magallanes for local consumption, but I am dealing with this in my next despatch. As regards South Brazil we should require to make two to three voyages yearly for our own requirements and should endeavour to secure outside business when such voyages are made. As stated previously, no allowance has been made for possible earnings from these sources.

I trust that the Board will consider the proposition outlined herein favourably. It is a compromise on my previous proposals and one which will not necessitate such heavy expenditure or entering into direct competition with South American Coastal Lines. The whole question of shipping has had my constant thought and attention since I joined the Company. Your decision to build s.s. "Lafonia" has been justified in every way and I can only hope that you will consider the satisfactory results she has shown, warrants your placing further confidence on my views. I feel convinced that these views are sound - they have certainly been consistent, for the present proposals only vary in detail from those outlined in my memorandum handed to

you in July 1932, on my dispatch No. 761. Finally
I would estimate that we cannot hope to remain on hold
on the shipping lines of the Pacific with no. 761
indefinitely. We cannot stand still - we must go forward
or we go back.

I am,

Sir,

Your obedient servant,

Manager.

M.V. "Lorica"

10th March,

/36.

773.

Sir,

I beg to enclose the annual accounts for 1935 showing a profit of £5,365. 13. 11. as compared with £37,848. 16. 11. for 1934. The decrease of £32,483. 3. -. is attributable to the lower prices realized for produce in 1935.

2.	<u>PRODUCE</u>	1934	£52,989. 11. -. .
		1935	40,997. 6. 6.
	Decrease		11,992. 4. 6.

Speedwell has been credited and both are debited with the value of leaves shipped to the mainland at 6/3d per head.

3. EXPENDITURE & REVENUE 1935. Wages, Deliveries and Insurance charges have decreased by £457. 2. 2. and £152. 17. 2. and £279. 19. 12. respectively.

Launch hire and Landing Charges show a decrease due to less imports by R.I.N. vessels, and that a tanker was discharged in 1934.

"Infonia" has been debited with £600 for use of Settles, Lighters, Gear etc.

4. SALES shows a decrease in profit of £73. 11. 1.

5. SALES TAX. Increase £222. 5. 12.

6. STOCKS. Increase Stanley £1,301. 2. 2. moreover increased by just under £1,000. The increase in profit is due to the disposal of stocks which had been drastically written down in previous years - to the increased use of

THE MANAGING DIRECTOR,

LONDON.

the Montevideo route, which enabled us to keep fresher and therefore more attractive stocks, and to the constant and unremitting attention the Chief Storekeeper pays to his duties.

Sales to Government Departments have steadily increased and we are now supplying them with petrol, gunoil, coils, coal and timber in fairly large quantities.

The Millinery Department shows a profit of £793. 5. 6. - decrease £47. 1. 5.

<u>WARE STORES.</u>	Merwin.	Increase	£29.	10.	7.
	North Arm	Decrease	46.	17.	7.
	Goodwell	do	21.	4.	7.
	Sitzroy & St. Louis	Increase	102.	5.	-.

Closing stocks show an increase of

£3,087. 9. 10. chiefly in Miscellaneous, Timber and Fencing due to timber received w/c "Fairland" sale and Tobacco.

7. WAREHOUSE. Loss £36. 12. 4. The bulk of the produce has been sold to s.s. "Lafonia", as usual.

8. BUTCHERY. Profit was loss by £408. 9. 3. due to lower prices realized for sheepskins and hides, which was loss by £415. 17. 3.

Sheep killed 1935 - 3,079
Wool sold " " - 125,646 lbs.

9. FLAUNTIN DOCK. This department made a loss of £606. 17. 1. against Profit £495. 9. 1. in 1934. This is due to fewer docking and to the fact that £1,323. 6. 9. w/c 0.0.02, due in 1933, was not credited until the following year.

10. GENERAL CHARGES. Increase of £156. 14. 2. is chiefly accounted for by the debit of the additional 45% contribution to Stanley employees Provident Fund, paid consequent on the declaration of a 5% dividend in June, 1935, being put through this account.

11. REPAIRS. Increased expenditure is chiefly due to reconstruction of our Harcourt Row property and to the overhaul of Stanley House - which is now in good condition.

12. 1936. I anticipate that Stanley wages and deliveries will be on about the same level as in 1935. No material change is expected in the several departments. Salaries and wages covering all company's employees in the Colony compare as under :-

1933	...	34,403.	3.	3.
1934	...	33,841.	14.	10.
1935	...	34,367.	16.	-.

I am,

Sir,

Your obedient servant,

Duncan
Manager.

9th March,

36.

The Managing Director,
The Falkland Islands Co.Ltd.,
61, Gracechurch Street,
LONDON, E.C.

Dear Sir,

I enclose s.s."Lafonia's" Working account for 1935, which shows a gross profit of £8,787. 4. 1. compared with £8,794. 10. 1.

EARNINGS AND EXPENDITURE. Earnings and expenditure are on about the same level as in 1934.

CAPTAINS SALARY. Captain Roberts was on leave till March last and has also been kept in Stanley at intervals, during which period an allowance is paid to Mr. Adair.

The increase in stevedoring in Stanley is accounted for by the increased imports via Montevideo.

The vessel was surveyed for Class in August last and the expenses incurred are included in the account.

The debit for Stanley Office management and use of Jetties etc. have each been increased by £500 and £500 respectively.

During 1935, "Lafonia" made -

8	Voyages to Montevideo with 2 extensions to S.Brazil.
3	" " South Georgia.
3	" " Magallanes.
16	Inter-insular voyages.

Approximate tonnage handled in 1935 was 5,115 tons, excluding coal for bunkers and cargo carried between Montevideo and South Brazil and vice versa.

Local Cargo ex Stanley 1,739 Tons.

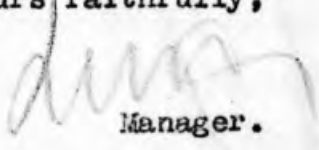
-2-

Cargo ex U.K. via Montevideo. 1,233 tons.
Coal carried to replenish
bunkers and for resale. 755 "
Sheep carried to S.Georgia - 487.

I anticipate a slight decline in earnings and expenditure in 1936, as we shall probably have one less voyage to South Georgia and one or two less to Magallanes.

s.s."ROYDUR". The purchase price of this vessel has been debited to "Lafonia's" account for the present. I will deal with this matter on the vessel's arrival here.

Yours faithfully,


Manager.

286
No. 779 per "Lorica" - 10th March, 1936.

ENCLOSURES.

1. Despatch No. 779.
2. Statement on Accounts No. 79.
3. Remarks on Accounts No. 79.
4. Store Indent No. 745.
5. Remarks on Naval Fuel Depot No. 50.
6. F.I.Gazette (1st March)
7. Duplicate specification of "Lafonia" shipment - 8/3/36.
8. Claim certificates - Dean & Co & Holmsted Blake)
9. "Lafonia" Insured Report Voyage E.6.
10. Transfer re sale of 200 F.I.C.Shares (Mr.Young)
11. Photos.

CORRESPONDENCE.

Copy of letter to and from Mrs Ricketts (Sea Lion Islands)
re using one of the small islands for a Fox Farm.

SPECIFICATIONS.

<u>Mark</u>	<u>Wool</u>	<u>Skins</u>	<u>Tallow</u>	<u>Hides.</u>
W.K.C.	109	12		
H & B	1			
Triangle D.H.	101			
M.V.	15			
	93			
S & S	101			
H.G.C.	32	1		
T.P.				
Port Louis	55			
D.H.	16			

M.V. "Loriga"

10th March, 1936.

779.

Sir,

I have to acknowledge receipt of your despatch No. 1392 dated 15th January last.

2. 1392 - 2 P.M. S. D. SHAWING CO.

Reorganisation. I am reconsidering this matter in view of the Board's decision and will revert to it later. I note that it is not necessary for us to obtain a license from Government.

500 Bales of Wool. I am pleased to note that the quality of the bulk of this shipment was satisfactory.

1936 Catch. I await your reply to my telegram dated 3rd ult. Pending -

"Deal oil which offers 1936 catch up to 300 tons".

3. 1392 - 3 P.M. "STANLEY". Bill of sale to hand. Arrangements are being made for this vessel to sail for Stanley early in April next.

4. 1392 - 4 P.M. "STANLEY". This matter is being dealt with.

5. 1392 - 5 P.M. "STANLEY". Noted.

6. 1392 - 7 P.M. "Lafonia" wireless equipment. The transformer will be sent you in April next.

7. STANLEY. S.S. "Lafonia" sailed midnight 7th last.
With -
710 Bales of Wool.
111 " " Sheepskins.
16 Passenger Tallow.
100 Bales.

M.V. "Loriga" sails p.m. 10th instant with -

THE MANAGING DIRECTOR,

LONDON.

1,500 sales of wool & sheepskins.
61 hides.

8. 1392 - 10. Sealskins & Navy Point quarantine station. These matters will be dealt with in my next despatch.

9. 1392 - 12. WOOL MARKET. The rise in January is most satisfactory and I understand that a further rise is expected in the series opening to-morrow. A large quantity of wool has been bought by Germany in Argentina at about 140 - 150.

10. STEAMER MOVEMENTS. s.s. "Infonia" arrived from Montevideo on 23rd January last, and has since made the following voyages -

Magellanes & West Falklands.
Perwin (with return ex Magellanes)
Attendance on s.s. "Reina del Pacifico"
West Falklands.
2 voyages East & West Falklands.

and sailed for Montevideo on 3th instant.

Passengers included Mr. & Miss Blake, Mrs. Young, Mr. & Mrs. Greener and Mr. Mansfield.

s.s. "Reina del Pacifico" arrived s.s. on 9th ulto. and sailed the same evening. Owing to high winds the excursion to the Penguin rookery had to be cancelled. Earnings were consequently much reduced, and were £32. 5. -. against £79. 15. 6. in 1935.

11. REMITTANCES. I required £1,500 at the end of February, and shall require a further remittance at the end of March. Money is still not circulating freely (see my No. 774 - 25), and silver is getting very scarce, and it may be necessary for me to ask you to send out £200 in silver coin.

12. "GREAT BRITAIN". s.s. The Governor proposes to launch an appeal for funds for the preservation of this vessel. If funds are secured she will be used as headquarters for the Sea Rovers.

13. "MARY ELIZABETH" has been beached on the East beach and will be examined on a suitable low tide.

"Capricorn" has been placed at her moorings.

14. R.S. "LAPONIA" was placed on the floating dock for painting on 26th ulto. and was undocked on 28th inst.

Encl. 15. Pages statement for the last quarter of 1935 is enclosed. It shows a decrease of £266. 2. 11. for the quarter, and a total increase of £526. 1. 2. for the year.

16. I regret to advise you of the death of Mr Andreas Pitlough on 25th ulto.

17. I left for Magallanes by "Reina del Pacifico" on 9th February last, and returned by "Loriga" on 8th inst. - this vessel being 3 days late.

I have under consideration a proposal to ship 5/000 mutton sheep (ex sheep culled for boiling down) to Magallanes in April. Mr. Dick is of opinion that they will be readily saleable and I consider that it is worth while making a trial shipment. I should then buy coal and posts with the sale proceeds - thus evading the exchange control.

18. H.E. the Governor made a short tour of the West Falkland per "Lafonia" on Voyage E.4.

19. 774 - 27. FOX FARM. After discussing this matter with Mr. Blake, Mr. Goddard - when at Durwin and Mr. Dean at Magallanes, it was decided to offer the Company a 21 year lease of a piece of land, about 200 acres, or an island on our Farm. After negotiating, the following terms were agreed to provisionally :-

21 Year lease at £50 per annum.
Rent at three pence per lb.
Permission to take 50 seals yearly in Lafonia.
To take fish also gulls and penguin eggs.
The use of Goose Green Jetty.

Mr. Dean and I visited Messrs. Petelaff yissen's establishment near Magallanes, and I enclose a panoramic photograph of it. It appears to be well run.

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No. 777 per "Loriga" - 10/5/35 - 4 -

They advised us that they would have 300 pairs to market this year.

20. 774 - 20 Loriga. These have been sold at 12 each. I will report on the working of this by next mail.

21. With reference to your despatch No. 1393 dated 24th January last - sent by Air Mail

2000 Pairs Loriga 22. They have fairly heavy stocks of Montevideo drums to work off, but second hand 30 gallon drums, ex U.S., will be used thereafter. We shall order them out for transshipment at Montevideo if possible.

~~XXXX~~ 22. PARCEL OF AVIATION SPIRIT FOR AIR MINISTRY.

It was thought safer, and in accordance with our usual practice, to address the parcel to you for forwarding to the Air Ministry. The package was handed to "Perasante" ~~XXXX~~ and a bill of lading prepared, but the ship stated they preferred to carry it as a parcel unmanifested, and did not therefore sign the bill of lading.

23. RENTAL. SANTA ROSA, A GOV. LEASE OF LAKE MY RESERVE has been renewed subject to the reservation of an area of 73 acres to be used as a Government quarantine station, the rental being proportionally reduced.

24. With reference to my despatch No. 777, paragraph No. 5., I note that s.s. "Albwick" was sold at about the price I valued - £35,000 - which gives a fair idea of present values of this type, and age, of vessel and indicates that my valuation of "Lafonia" is, if anything, conservative.

I am,

Sir,

Your obedient servant,

Manager.

P R E C I S.

1. Acknowledges receipt of your No.1394 and confirms Nos. 777/9.
2. F.I. & D.Sealing Co.,Ltd. - Drums, advises position. *Enquires*
If large drums can be used for tallow. Outlines proposal
to import year's requirements of petrol etc. in these
containers.
3. Notes quotation for "Lafonia" insurance Coronel voyage.
Requests you to obtain quotation from Underwriters in the
event of vessel being required to pick up Rymill party.
4. Sustentation Fund - Secretary advised of your remarks.
Rev. Dr. Wade leaves by this "Lafonia".
5. Advises employment of "Black Swan" by Mr J.Hamilton for 10 days.
6. Purchase of water boats is most satisfactory.
7. Old Ship Hotel - propose to convert this building into two dwelling
8. Acknowledges receipt of Anning & Cobb's advices re Fox Farming.
Understand proposition now now being proceeded with.
- 8a. S.L. "Kelp" - reports repairs to boiler. Enclosed report thereon.
9. ~~IR~~. Reports arrival of s.s. "Roydur" from South Georgia.
Vessel appears to be in good condition.
Requests you to obtain insurance quotations for local voyage
10. Amalgamation of posts of Book-keeper/Storekeeper/teacher at Darwin
working satisfactorily.
Purchase of furniture from Mr Greece for Storekeeper's house
11. Hulks - "Lady Elizabeth" - cannot be towed to Albemarle without
undergoing repairs.
"Great Britain" - Encloses correspondence with Government
regarding disposal of hulk.
"Rosa Baker" - breaking up after stranding at Sparrow
Cove.
12. Confirms telegram re renewal of Mail Contract. Correspondence
with Government enclosed.
13. Prices of wool and skins in February/March sales very satisfactory
14. Andreas Pitaluga, deceased - claim against Farm by Mrs Turner.
Station books now being kept by Mr. Hådgson.
15. Notes "Lafonia" Survey Report accepted by Lloyds Register.
16. Advises shipment of seal oil by this opportunity against 1935 &
1936 contracts.
Acknowledges receipt of your telegram re 1936 contract pri
Quotations for plant received.
- ~~MR~~. Reorganisation of Company.
17. Regrets to hear of the death of Mr. Alex Moir.
18. Bluff Cove produce matter will be taken up with Mr Yonge.
19. "Lafonia" wireless transformer - sent you from Montevideo in March
20. Sealskins will be obtained during Winter and forwarded to you.
21. Advice not yet received from Government re Navy Point quarantine
Station.

22. Tripes - work at Goose Green proceeding satisfactorily after trouble re wages at start.
Next season's output sold to Capt. Schmitt.
23. Enclosed correspondence exchanged with Mr J.F. Bonner re shipment of produce from San Carlos this season.
24. Encloses "Lafonia" Itinerary and Mail sailings to December next.
25. Reports intended shipment of Butchery sheep from Darwin to Magallanes in May.
26. Lighters Nos. 1, 2, 3 & 6 recently repaired.
27. Final shipment of horses ex Menendez recently arrived at Egg Harbour.
28. Steamer movements.
29. "Lafonia" movements since 26th March last.
Details produce being shipped this voyage.
30. Advises passengers per "Lafonia" 23/4/36 and "Lagarto" hence yesterday.
31. Copy of letter from Mr G.S. Yonge re use of Block F 38, enclosed.
32. Mr C.A.I. Fearon - conclusion of agreement with.
Replacement by a new clerk will be deferred for present.
33. New Ship Hotel - management of.
- 34 ~~35~~. Passenger bookings outwards "Lafonia", October.
- ~~36~~. Wool specimens for Imperial Institute are being sent to you.
36. Remittances - do not anticipate will require one end April.
37. Draws your attention re proposed Legislation re Motor Cars in Stanley.
38. Mr. T. Gilruth proceeds on leave this "Lafonia".
39. Mr J.H. Watson, Storekeeper, North Arm, also leaves by this vessel.
40. Draws your attention to supplement in "Penguin" re Financial Relations of the Colony and Dependencies.
41. Encloses copy of Current Scale of Unemployment Relief.
42. Requests you to advise Underwriters of "Lafonia's" proposed voyage to South Brazil in June next.
43. Sealing in Lafonia - matter discussed with Camp Manager.
44. D. Stacey - your instructions dealt with.
45. Mr. Yeadon's enquiries re call of foreign vessel for passengers in May & September - Farmers approval of call.
46. Baillon & Stickney - reports Mr Nodgeson's recent visit to Foxbay.
Stock returns being forwarded to you by Camp Manager.
47. "Gentoo" Salvage claim - Messrs. Dean Bros. offer to Bowles has been accepted.
Requests payment of our fees by Lloyds in enclosed letter.
48. Rams from the Coast - Gente Grande quotations given.
49. Encloses copy of letter to Government from Sealing Company re reorganisation.

50. Loan of "Gwendolin" to Sealing Company for 1936 expedition.
51. Tallow to Valparaiso - business not gone through.
52. Coronel coal not obtainable in Magallanes until July.
Coronel voyage still in abeyance.
53. Colonial Development Fund - building of a new vessel would
probably receive favourable consideration of Administrators
of Fund as regards financial assistance.

... ..

"LAFONIA" via Montevideo.

22nd April, 36.

780.

Sir,

I have to acknowledge receipt of your Despatch No. 1394 dated 28th February last and to confirm my Nos. 777, 778 and 779.

2. 1393. 2. F.I. & D. SEALING Co., LTD. DRUMS.

As previously advised I had on order a large number of drums ex Montevideo but once present stocks are exhausted I will order 80/90 gallon drums via Montevideo.

Could drums of this size be used for tallow? Would it be possible to purchase a quantity of these empty drums, have them filled with a year's requirements of petrol, paraffin and gas oil and ship them to us from Glasgow to Montevideo per Lamport & Holt vessel? Second hand drums are steadily going up ex Montevideo which makes this proposition well worth investigation.

We would take -	100	large	drums	Petrol
	100	"	"	Paraffin
	100	"	"	Gas Oil

(or even a greater quantity if this assisted you in obtaining better freight quotation)

in one shipment - please let me have quotations c.i.f. Montevideo to enable me to compare with Montevideo costings. Should business result we should require good notice of probable arrival date at Montevideo to arrange quick transshipment.

3. 1394. 5. S.S. "LAFONIA" AND CORONEL INSURANCE RATES.

I thank you for the quotation of 2/6% for an extension of our cover from Magallanes by the inside passage to Coronel.

The rate quoted us for best quality Coronel is 18/8d per ton which is too high to make this voyage attractive unless I could secure some cargo for Chilean ports North of Magallanes.

THE MANAGING DIRECTOR,
LONDON.

There is little chance of this at present and I shall therefore do nothing this year unless Messrs. A.Gibbs & Co. can sell our tallow well, which would make this business possible.

I understand that the Rymill Expedition has established a base in Margaret Bay, Grahamsland between Lat. 68 - 70° South. It is a remote contingency but I think it might be as well if Underwriters were asked what additional premium they would require if "Lafonia" was requested to pick them up. It could, of course, only be undertaken during the summer months.

4. 1394. 10. SUSTENTATION FUND. Noted, and the Secretary of the Sustentation Fund has been notified accordingly.

The present incumbent, the Rev. Dr. R.T.Wade, has resigned chiefly on the grounds of Mrs Wade's health and they leave by this "Lafonia".

5. 1394. 11. Aux.Vessel "BLACK SWAN". Mr J.Hamilton employed her for 10 days and a bill for £80 has been rendered.

6. 1394. 15. WATER BOATS. The purchase of these 3 boats is most satisfactory. Two are in use and are filled from the roof of "Nigeria" shed - the third will probably be used as a sand lighter.

7. 1394. 16. OLD SHIP HOTEL. This will now be converted into two smaller dwellings houses - each with 3 bed, 2 sitting, kitchen and bathroom. They will serve to replace two of our old wooden houses. Should conditions warrant it the premises now occupied by Osborne (No. 3 Marmont Row) will be available for an extension to the new Ship Hotel.

8. 1394. 18. FOX FARMING. I thank you for Messrs. Anning & Cobb's advices and "The Directory of Canadian Fox Fur Ranches".

With reference to my 779. 19. I understand that the Fox Farm proposition is not likely ^{to} be proceeded with. Having prevented the Promoters from obtaining land at Foxbay I understand that the principal West Falkland subscribers now state they will not invest if the Farm is situated on Company's land - the promoters are therefore returning the moneys received to the several subscribers (about £3,750).

82. 1394. 21. S.L. "KELP". If we have to replace this launch I think we could build a wooden hull here or failing that have a launch shipped out in sections for re-erection here. However, it is probable that we shall be able to carry on with "Roydur" and the Stanley Motor boat.

Enc.

A report on "Kelp's" boiler is enclosed. It required fairly extensive welding underneath in an inaccessible place. It was therefore lifted out by "Lafonia" before she left for South Georgia, placed on a lighter, welded there and reshipped on "Lafonia's" return.

9. S.S. "ROYDUR". A crew was sent to South Georgia from Stanley per "Lafonia", sailed 27th ulto. Mr Adair brought her up and a Norwegian engaged for the Sealing Company acted as Chief Engineer. She left Grytviken on 5th instant, lay at Leith Harbour that night and at Elshull the following night. She encountered N.W. and S.W. gales throughout and arrived a.m. 12th.

She appears to be in quite good condition. She is being overhauled and a detailed report will be sent you after this has been completed. She was docked on 16th inst.

I think that we have acquired a very useful vessel - she has a good hold, is very suitable for emergency calls and would be most useful as a seagoing tug, sealing or even whaling. I have applied for her to be registered here under her present name. I presume you have covered her for port risks whilst lying in Stanley - please obtain quotations for her -

Sealing - monthly.

Voyage - any port or ports East Falkland or Falkland Sound.

" any port or ports East and West Falklands.

Return voyage Stanley - one port - Stanley.

Darwin.

Within 50 miles of Stanley.

" 100 " " "

" 150 " " "

" 200 " " "

These are required to cover emergency calls and should be declarable by mail.

You will doubtless advise the Admiralty of her acquisition - she would be quite suitable for handling the oil barge or one similar in Port William in almost any weather.

10. 1394. 24. SCHOOL TEACHER AT DARWIN. I visited Darwin from 28th March/2nd April - the amalgamating of the posts of Book-keeper, Storekeeper and Camp Teacher appears to be working satisfactorily - it will be reviewed in six months time when Mr. Honeyman will be confirmed in this position if this arrangement is then found satisfactory.

You will recollect that Mr. Greece was allowed an overdraft to enable him to furnish his quarters when he was transferred to Darwin. After discussion with the Camp Manager it was decided to take over his furniture and allow Mr. Honeyman free furnished quarters. I trust you will approve of this arrangement.

11. 1394. 25. & 779. 13. LADY ELIZABETH. This hulk has not yet been examined but I fear that it will not be possible to tow her to Albemarle without repairing her hull. I shall loan another hulk or craft to the Sealing Company to see them through the coming season - probably "Ewendolin" as they can store a quantity of coal in her and also use the living accommodation.

GRANAT BRITANNIA. Copy of letter from Government, No. 29/36 dated 13th inst., enclosed, from which you will observe that the proposal to endeavour to raise funds to preserve this vessel has been abandoned. Copy of my reply dated 15th inst. is also enclosed. I regret that Government is not taking her over as this would have undoubtedly been the cheapest means of disposing of her from our point of view. They do not approve of stranding her anywhere near Stanley as she may break up and her floating timbers be a menace to navigation, I fear there is no alternative but to take her out to sea and sink her.

THORA BAKER, which was of course small, broke up rapidly after

she had been stranded in Sparrow Cove.

There is a certain amount of 'tween deck planking in "Great Britain" which is worth removing under present circumstances.

12. 1394. 25. MAIL CONTRACT. I confirm my telegram dated 13th instant advising you that subject to the approval of the Secretary of State Government had agreed to renew the Mail Contract for a further period of five years with the proviso that in the event of our replacing "Lafonia" by a larger vessel the maximum amount of subsidy which Government would be willing to pay for the improved service would be £5,200 per annum.

Enc. Copy of my letters to Government dated 4th and 13th April and their reply C/6/36 dated 13th idem enclosed.

The draft Agreement is under preparation.

13. 1394. 29. SHEEPSKINS. The prices realised in the February Sales were very satisfactory indeed as were the WOOL prices realised in the March series. I trust this improvement will be maintained.

14. 1394. 31. THE EXECUTORS OF Mr ANDREAS (Donald) PITALUGA^{'8} Will are Mr. R. Greenshields and Mr. A. Newing. For some long time Mrs. Turner has been pressing a claim to a share in the Farm which she alleges is due to her and other members of the family by reason of the death of Arthur Bailey Pitaluga - a son of the first Andreas Pitaluga - who was maintained in a lunatic asylum in Montevideo from about 1888 till his death in 1930. This dispute will probably go to arbitration and it is suggested that Major Stewart and myself should act as arbitrators. It is a most involved case and has been made more so by Mr. Rowe, who had been advising Mr. Donald Pitaluga, and also kept the Farm books after Mr. Vincent left the Colony. I have now agreed that Mr. Hodgson may keep them on behalf of the Farm - on taking them over it was found they had not been touched since 1932.

15. 1394. 32. S.S. "LAFONIA". I note that Lloyds Register of Shipping have accepted the Survey Report and the vessel is being continued in her class.

No. 780 per "Lafonia" 22/4/36. - 6 -

16. 1394. 33. F.I. & D. SEALING Co., LTD. 38 drums seal oil against the 1935 contract, 256 drums seal oil against the 1936 contract - are being shipped to Glasgow via Montevideo by this "Lafonia". The 38 drums are marked with a X.

Catching did not recommence until January. Owing to the severe epidemic of influenza which stopped work on the Station last Winter for about a fortnight and the delay referred to in my 773. 5. I fear that the results of the 1935 Season will not prove satisfactory.

I note from your telegram dated 18th ulto. that the 1936 contract is for 300 tons, £18. 10. -. Grade 'A', £17. 10. -. Grade 'B' c.i.f. Glasgow.

I note all that Brokers have to state re selling to Glasgow.

DRUMS. This matter is dealt with in paragraph 2 above.

QUOTATIONS. for plant. I thank you for these. In the meantime I am endeavouring to obtain prices of plant etc. for disposal at Prince Olaf, South Georgia. This is Lever's Station, which I understand they have abandoned.

1936 SEASON. Operations will probably commence early in May and continue until September. It will be decided later whether elephants will be caught in November/December. It is proposed to remove the three small digestors ex "Port Edgar" and add them to the shore plant at Albemarle. The boiler there has ample steam - by this means it is hoped to improve production by 10/15 tons monthly. There are about 1,600 empty drums on the Station and I am arranging to supply coal.

REORGANISATION. With reference to your 1392. 2. I note that the Board are not in favour of this scheme at present. I am of opinion that it is desirable the Sealing Company be reorganised as soon as possible. Apart from the financial position I fear that the Company's accounts and records are not up to date and I do not consider we could think of taking over the office work in its present chaotic state. *Neither has the Company complied with its statutory obligations.*

I should also desire several changes in the Directorate which consists of Messrs. G.J. Felton, D. Watson and J.W. Grierson (Capt. D.W. Roberts has I think resigned) and Mr. E.G. Rowe who is Auditor. If we are to manage the Sealing Company we should start with a clean sheet.

Further - until this Company is reorganised and the creditors dealt with it is surely open to actions for recovery of moneys due, being started at any time by any one of the creditors when the Court would have no alternative but to decree that the Company be wound up.

As regards permitting them to seal under license from the Company, indefinitely - I am dealing with this elsewhere.

FUR SEALS. Is there any demand for these yet ?

17. 1394. 34. I regret to hear of the death of Mr. Alex. Moir.

18. 1394. 35. G.S. YONGE, BLUFF COVE PRODUCE. I am taking this matter up with Mr G.S. Yonge and will advise you in due course.

19. 1392. 7. "LAFONIA". Wireless transformer was sent you from Montevideo in March last - for examination.

20. 1392. 10. SEALSKINS. A number were taken in January but as they were found to be poor specimens they were not sent you. A sample of 30 skins of various weights will be obtained during the Winter - salted and sent to you.

21. 1392. 11. NAVY POINT QUARANTINE STATION. Government have not yet advised me as to whether they are carrying on with the project of making a Quarantine Station on Navy Point. There is a certain amount of feed and rams have actually been quarantined there of recent years. You will recollect that some years ago we lost a ram there which took to the water when being gathered. We have been given permission to quarantine our imported rams on our own Camp during the past two years - which is of course the most satisfactory arrangement for us.

The Camp Manager will be asked to report on the Naval Fuel Depot site when he is next in Stanley.

22. TRIPES. Capt. Schmitt had a certain amount of trouble with his labour at first - after the first half day's work 3 youths asked for higher pay and as it was refused they returned to Stanley. The other three appear to be working well under the direction of a German butcher brought over from Magallanes. It was found that they were not able to give the final clean to the gut which is a delicate operation and it was therefore decided to only give them the first clean, salt them into barrels and ship them to Magallanes per "Lafonia" in May where they will be prepared for sale and doubtless shipped to Germany as Chilean produce and sold against export marks.

Capt. Schmitt has bought from Port San Carlos and several West Falkland Stations.

I have sold next season's output at 2d each.

Enc. 23. I enclose copy of a letter dated 22nd February last from Mr J.F. Bonner, San Carlos, complaining that the whole of his Station's clip had not been shipped in time for the March and May sales - together with a copy of my reply dated 12th ulto. - for your information.

Enc. 24. Copy of s.s. "Lafonia's" itinerary and mail arrivals and departures to the end of the year, enclosed.

25. BUTCHERY SHEEP TO MAGALLANES. The Camp Manager is shipping about 350 fat Ewes Darwin to Magallanes during May and if this shipment sells satisfactorily he will endeavour to make another in June.

26. LIGHTERS. The three Coast Lighters and 'Himrod' (Nos. 1, 2, 3 & 6) have recently been overhauled.

27. The final shipment of horses from Menendez was landed at Egg Harbour ex "Araucano" on 12th instant.

28. STEAMER MOVEMENTS.
Aux.vessel "Penola" arrived from Grahamsland on ~~the~~ 24th March and is to lie up here until December next. She may require some repairs and also go on the Dock.

s.s. "Roydur" arrived on 12th instant.

M.v. "Lagarto" called here yesterday evening for 10 passengers homeward bound.

s.s. "Patagonia" chartered by Hamilton/Miller called here on 5th inst. I understand she landed horses on Weddell Island and foxes and guanacos on other small islands.

29. s.s. "LAFONIA" has made the following voyages since 26th ulto. when she arrived from Montevideo -

E. 8. Darwin, Foxbay, South Georgia.

E. 8a. East & West Falklands.

E 9. Company's Stations.

and sails for Montevideo on 23rd instant with 25 passengers, 579 bales wool/sheepskins, 82 Hides, 416 Tallow, Seal Oil.

30. PASSENGERS by this "Lafonia" include Messrs. M. Craigie Halkett, W.G. Benney, K. Luxton and T. Gilruth.

Per "Lagarto" sailed yesterday, Messrs J.F. Bonner, A.G. Barton and Jason Hansen.

31. Copy of letter from Mr. G.S. Yonge dated 20th February last accepting our terms for the use of ^{our} 160 acres, P 38 enclosed, for your information.

32. Mr C.A.I. FEARON requested to be released from his agreement on account of his health. He was in hospital for 6 weeks last Winter with gastric trouble and has had to keep to a diet since then which is not easy to conform ~~with~~ to here. I have acceded to his request - his salary will terminate on his leaving the Colony and he is being granted the value of an intermediate class passage although he is actually travelling "A" vessel 2nd class. He leaves by "Lafonia"/"Asturias" 23rd May.

He has recently married.

I do not propose to replace him at the moment but have applied to Government for a landing permit to cover a new clerk when engaged.

33. NEW SHIP HOTEL. Management of. I have now come to an arrangement with Mr. G. Perry the present lessee of the Ship Hotel whereby he is appointed as Manager of the new Ship Hotel on salary

and commission as from the date he moves into the new premises.

Enc. Copy of my letter dated 7th inst. detailing the terms and conditions is enclosed. I am of opinion that this arrangement is much more satisfactory than placing the hotel in the hands of a lessee.

The new hotel will be occupied within the next few weeks.

34. PASSENGER BOOKINGS OUTWARDS.

s.s. "Lafonia" leaving Montevideo 19th October will take passengers and cargo ex "Highland Chieftain" due there on 15th October and passengers only per "Alcantara" due there 19th idem. - the latter connection provides an approximate 21-day transit.

The bookings will doubtless be heavy for this voyage and the following reservations should be made now.

Mrs Young	}	1 cabin.
Master Young.		
Governess.		

Mr & Mrs Creamer. 1 cabin.

Mr T. Gilruth	}	1 cabin.
Mr E. Luxton		
Mr R. Greenshields		

Mr J. L. Lanning	}	1 cabin.
Mr Lanning.		
Mr Hills.		

Mr & Mrs Benney. 1 cabin.

Mr & Mrs Craigie Halkett. 1 cabin and Office cabin.

You can therefore only book cabin passages if any of the above mentioned fall out - you may book 7 men in the third class. Please advise Royal Mail Lines Ltd.

35. WOOL SPECIMENS FOR THE IMPERIAL INSTITUTE. You will recollect that the Imperial Institute requested us to give them specimens of Falkland Islands wool for exhibition purposes. The Camp Manager has had a range of this year's clip prepared and it is being sent you. Will you kindly deal with it on arrival.

36. REMITTANCES. I required £ 3,000 at the end of March but do not expect that I shall require one at the end of April.

37. PROPOSED LEGISLATION re MOTOR CARS. I beg to draw your attention to a draft bill declaring the Law relating to motor cars in Stanley, pages 60 - 64 of the Falkland Islands Gazette of 1st

April, 1936. The chief points are 1. Licensing of drivers, 2. Insurance against third party risks, 3. Annual registration fees. Please enquire if Underwriters are prepared to quote rates to cover third party risks, and if so advise me of the rates.

38. Mr F. GILBERT proceeds on leave by this "Lafonia". The Camp Manager will write to you regarding his re-engagement.

39. Mr J. H. WATSON, STOREKEEPER, NORTH ARM proceeds to United Kingdom on the termination of his agreement. If he desires to return we are agreeable to his coming back on the same terms and conditions as previously but he should be medically examined before sailing as he has not been keeping well.

40. FINANCIAL RELATIONS OF THE COLONY AND THE DEPENDENCIES.

I beg to ^{draw} ~~draw~~ your attention to a supplement published in the "Penguin" on 21st March, 1936 giving the Secretary of State for the Colonies' reply to His Excellency the Governor's request regarding the disposal of the balance of the Research Fund.

His Excellency has certainly made a strong effort to get something definite from the Colonial Office and I am of opinion that the reply may be considered as satisfactory.

41. Copy of the current Scale of Unemployment Relief is

Enc. enclosed, for your information.

42. S.S. "LAFONIA" proceeds from Montevideo to South Brazilian ports during the first half of June - please advise Underwriters. She loads there for Stanley about 81 measurement tons cut sizes timber, bricks, oranges and sundries.

43. SEALING IN LAFONIA. With reference to the exploitation of our sealing rights in Lafonia, I have been discussing this with the Camp Manager and we are of opinion that it would be most advantageous if we worked these ourselves.

We should work from a land station situated somewhere between Blind Island and Dansen Harbour. The chief seal rookeries and haul ups on Lafonia mainland and islands are within easy reach of any point on this stretch of coast.

It should be on the mainland so that it can easily be

controlled as regards the plant. "Roydur" should prove a fine vessel for sealing. If the position warrants your replacing the Goose Green digestors by more modern ones - the old ones would then be available for seal. I understand there are two small boilers in "Port Edgar" which are large enough for this purpose. Goose Green have spare steam pumps and an electric light plant. The Walker Creek cookhouse which is no longer in use could be dismantled and re-erected on the site, for living quarters.

The Farm could supply most of the labour as the sealing season is usually May-September.

It would appear that sealing could start without incurring very heavy capital expenditure.

As regards the digester scrap, I would not recommend treating this to begin with but if a cart was attached to the Station it could be put out on the Camp.

This matter will, however, be dealt with at length after our investigations have been completed - when a detailed scheme will be placed before you, for your consideration.

H3A. Aux.vessel "Port Edgar" will be placed on the Floating Dock shortly.

44. D.STACKY. With reference to your 1392. 4. this matter has been dealt with in accordance with your instructions.

45. With reference to my 776. 13. I understand that Mr. Yeaton enquired with all the principal Farmers if they would support a foreign ship if she called for passengers, May Homewards, and September outwards, and that practically all agreed to do so.

46. BALLOON & STICKNEY, FOXRAY. Mr. Hodgson recently paid a brief call and is arranging to commence a new set of books as from 1st January last.

The Camp Manager will forward you Lamb Marking, Shearing and Dipping tallies with his remarks thereon.

47. M.V. "GINTOO" - SALVAGE CLAIM. I understand that Messrs. Dean Brothers, on behalf of Underwriters, offered Bowles £100 for services rendered which he has accepted. As this case will not

therefore go to arbitration I enclose a letter to Lloyds requesting them to fix a fee for our services which they can estimate from the papers before them. Will you kindly recover it from Messrs. Bean Brothers in due course.

48. RAMS FROM THE COAST. Mr. W.M. Bean instructed me to obtain quotations from Gente Grande and these have just come to hand. Mr C.M. Hobbs writes -

"With regard to your enquiry about Corriedale Rams for next season we now beg to advise you that we can supply you with 20 - 30 Ram Hoggetts guaranteed to be the sons of rams imported from New Zealand at 88 (eight pounds) per head, delivered in our farm at Gente Grande, in case of business resulting it is understood that you will send somebody to select the rams in the month of November before shearing.

"Our stud sheep have been heavily culled now for many years and we can supply you with very good animals.

"Should you be interested in flock rams, we can sell these at 23. 10. -. per head".

I should like to have the longest possible notice of your intention to purchase from the Coast so that I have ample time to work other business for s.s. "Lafonia".

Enc. 49. REORGANISATION OF SEALING COMPANY. I enclose copy of a letter which is being addressed to Government by The Falklands and Dependencies Sealing Co., Ltd.

50. With reference to my Para. 11 I have now decided to lend Aux.Vessel "Gwendolin" to the Sealing Company - please cover her provisionally for the voyage out either under her own power or towed. I will advise you as to this by next mail.

51. SAILOUT TO VALPARAISO. With reference to my telegram dated 16th and your reply dated 17th instant, I regret to advise you that this business has not gone through.

52. COAL EX CHILE. I cannot get any Coronel coal in Magallanes until July and shall probably take Mina Elena in May. The matter of a voyage to Coronel is still in abeyance.

53. COLONIAL DEVELOPMENT FUND. With reference to my 773. 34. His Excellency is of opinion that should we consider building a new vessel that the Administrators of this Fund would probably consider the scheme a suitable one for financial assistance and he is prepared to strongly support any application we might put forward.

I am,
Sir,
your obedient servant,

Manager.

P. R. R. C. I. S.

1. Acknowledges receipt of your No. 1395 and confirm No. 700.
2. F & D. Sealing Co. Ltd. - Confirms cables re "Swendolin" insurance. Draws - notes premium if 90 gall. drums used. Labour - reduction in monthly pay this expedition. Encloses copy of licence issued enabling them to seal on Laronis.
3. s.s. "Koydur" - work on vessel delayed. Requests you to renew insurance for further 3 months.
4. Advises why name of "Port Eger" changed.
5. Acknowledges receipt of statement of Royal Mail Lines amended fares. Matter will be discussed with their Buenos Aires office.
6. Owing to non receipt of sales prices for this shipment, fear that "Queensbury" wool has missed May sales. This will be taken up with Maclean & Stapledon.
7. Regrets to report death of R.F. Burns, pensioner.
8. "Lafonia" - encloses copy of letter V.H. Linton to Colonial Secretary and my reply thereto. Advises recent voyages made. Details produce shipment this voyage. Magallanes call postponed until June owing to present shortage of coal there.
9. Details proposal to extend this Office. Requests your sanction to instal central heating.
10. (New) Ship Hotel - reports opening of building for business 21st May.
11. Encloses wages comparative statement - 1st quarter 1936.
12. Advises result of half yearly store tour voyage per "Lafonia".
13. Draws your attention to draft ordinances re -
 - (a) Immigration
 - (b) Law re motor cars
 - (c) Workmens Compensation.
14. Encloses draft copy of mail contract. Advises new concessions made re passenger fares. Shipping developments - matter being dealt with by air mail.
15. Advises Power of Attorney given to Mr G. Goddard to act in my absence from Colony. I expect leave 23rd instant.
16. Sale of tripes ex Darwin and shipment to Magallanes.
17. Steamer movements.
18. Advises wool specimens for Imperial Institute go forward this mail.
19. Do not anticipate will require a remittance at end of this month.

... ..

"LAFONIA" via Montevideo.

22nd May.

36.

781.

Sir,

I have to acknowledge receipt of your Despatch No. 1395 dated 9th April and to confirm my No. 780 dated 22nd idem.

2. F.I. & D. SEALING Co., LTD. s.s. "Port Richard" and "Gwendolin" left Stanley on 3rd May. After I had telegraphed you on 2nd to insure "Gwendolin" it was decided to tow her hence my telegram dated 6th instant. Both vessels arrived at Albenarle about 14th instant with a certain quantity of blubber.

"Gwendolin" is useful there for her living quarters and as a store ship.

DRUMS. I note that a premium of 10/- per ton of oil would be paid for oil shipped in 90 gallon drums.

LABOUR. Men are being employed for this season's sealing at £8 per month against £9 in January last and £7 in 1935.

COPY OF LICENSE to seal in Lafonia, granted by me, covering the period 1st May - 30th September, 1936 enclosed.

CONTRACT for 50 tons made in January and shipped in April to hand and prices noted.

3. 1395. 3. "ROYDER" is still on the Floating Dock. Owing to our having s.s. "Lafonia" & m.v. "Losada" to work and inclement weather very little has been done on her for the past fortnight. Engines and boiler have been overhauled and are in good condition. The hull has been chipped and part painted and only a few days work remain before she can be undocked.

Managing Director,

London.

Please renew the port risk for a further three months from 30th June next unless I telegraph you to the contrary.

4. 1395. 7. M.V. "PORT REOARD". These changes of names were necessitated by the Board of Trade not accepting names which the Government here had agreed to. This vessel will be docked when "Hoydar" comes off.

5. 1395. 16. ROYAL MAIL LINES LTD. - THROUGH FARES. The amended rates now quoted by Royal Mail Lines in through bookings to and from Port Stanley are higher than those previously charged as will be seen from the enclosed statement. I shall have an opportunity of discussing these with the Buenos Aires office in the near future. The old rates gave them a monopoly of the Falkland Islands traffic via Montevideo and the increase may divert a proportion to the Blue Star line and Boulders. ^{advice}

6. 1395. 17. PRODUCE SHIPMENT. As no ~~returns~~ have been received as to prices realised for the wool shipped by s.s. "Queensbury" I fear that this vessel failed to report in time for inclusion in the May series, which is regretted.

I am constantly impressing on Maclean & Stapledon how necessary it is that on-carrying vessels with wool for the March and May Sales report in good time and this is the first occasion on which there has been a failure. I am taking the case up with them.

7. I regret to inform you that a pensioner - T.T. Burns - died on 4th instant. His pension was £35 p.a.

Enc. 8. s.s. "LAFONIA". I enclose extract from a letter dated 7th March last from Mr W.H. Luxton to the Colonial Secretary and my reply thereto.

Movements. s.s. "Lafonia" arrived from Montevideo on 7th inst. and has since then made voyages to -

K 11. North Arm, Speedwell Island and Darwin.

K 12. West Falklands, Salvador Waters & Berkeley Sound.

On this voyage she had 48 passengers from West Falkland and actually had to shut 5 out. She sails on 23rd instant with 16

passengers, 501 bales wool/sheepskins, 262 hides, 149 tallow.

Magallanes. With reference to my 730. 25 & 52 - Owing to a shortage of stocks Dick & Bravo could not obtain Coronel or Mina Elena coal for May shipment. The voyage was therefore postponed till June when "Lafonia" will take about 350 sheep to Magallanes for disposal and load 450 tons Mina Elena coal at the mine in Payring Water. The bulk of this will be landed at Albezarle.

9. COLONIAL MANAGER'S OFFICE.
ENGINEER'S SHOP.

My office is proving too small for the increased work. This is specially noticeable when "Lafonia" is in and when she is sailing for Montevideo. There are numerous documents to prepare and very little privacy is possible as we usually have a constant stream of callers particularly at the time of the March, April and May sailings, and September and October outward arrivals, many of whom cannot be dealt with at the window. I have been considering how best to improve matters and have come to the conclusion that the best solution is to take in what was the counter room of the East Store.

Enc.

I enclose a drawing which shows what is proposed. Four rooms will be added to the accommodation and will be made by glass and timber partitions. The Superintending Engineer can then be accommodated in this office and will also have a door giving access to the middle portion of the East Store which has been converted into a lathe shop and houses our 3 large lathes - the Engineers' shop is also being moved there and will thus be better supervised. A portion of the upper floor will be used as a record room. This will provide ample office space and privacy where desirable and should prove warmer and less draughty than the office as at present arranged.

Enc.

I also beg to suggest that you will sanction the installation of central heating which will do away with five coal fires. A plan showing dimensions of rooms is also enclosed, and if you approve will you please order the plant. I am of opinion that a system similar to that shipped out for the West

store which heats from pipes only, not radiators, would be suitable.

10. The (new) Ship Hotel was opened for business as from 1st instant.

11. COMPARATIVE STATEMENT OF EAGLES for the first quarter of 1936 is enclosed and shows a total decrease of £17. 18. 6. as compared with the same quarter of 1935.

12. The half yearly tour voyage was carried out - East Falklands in April and West Falklands in May. Sales amounted to £1,225 as compared with £1,068 in 1935.

13. I beg to draw your attention to three draft ordinances -
(1) The Immigration (Restriction) Ordinance 1936.
(2) The law relating to motor cars.
(3) Workmen's compensation.

This extends the English Act of 1925 to the Colony and Dependencies.

I shall have the opportunity of discussing these with you shortly.

14. With reference to my 780. 12. RAIL CONTRACT. I now enclose a draft copy. Government is sending a copy to the Secretary of State by this mail for his approval and when this is received the contract will be signed.

Negotiations for its renewal have been carried on satisfactorily and Government have been reasonable throughout. They made it known that its renewal was under consideration and I understand that no representations were received from the public. There are no material alterations in the Contract or Schedules. It is proposed that the five year period should run from 1st January next. I have made the following concessions in fares -

Children. 12 years or over - full adult fare.
6 years and under 12 years - half fare.
2 years and under 6 years - quarter fare.
1 child under 2 years - free.
Each additional child under 2 years - quarter fare.
Two children paying quarter fare each will ~~may~~ occupy one berth.

Abatements. Family abatement. The term "Family" includes only husband, wife and their unmarried children and step children. In the case of a family travelling at one time and paying at least

the equivalent of three adult fares, 10% abatement on single tickets and 5% on return tickets (Montevideo only).

A family paying at least the equivalent of four adult fares, 15% on single tickets or 10% on return tickets (Montevideo only).

15. Shipping developments. I am dealing with this matter in an air mail letter.

15. Mr. G. Soddard has been given a Power of Attorney to act during my absence from the Colony - and will generally supervise Stanley as he did last year - Captain Roberts will be in immediate charge and will report to him as necessary.

I expect to leave here on 23rd instant and to first visit Buenos Aires to discuss certain matters with the Royal Mail Line there. I feel that this will be more satisfactory than leaving them for discussion with the Royal Mail Line in London who would doubtless refer back to Buenos Aires before they came to a decision.

One important matter is the booking of passengers to United Kingdom ex Magallanes - Brown & Blanchard are Royal Mail Agents there but I trust that the Royal Mail Line will agree that such passengers can be booked from here.

Should there be an opportunity I also hope to pay a brief call at Rio Grande do Sul.

- Enc. I enclose copy of a letter dated 31st April last from Mr. Granston Woodhead giving his views on an improved service, which is of considerable interest.

I hope to arrive in England not later than 22nd prox..

16. With reference to my 780. 25. We received £83. 6. 8. for Darwin trips. They were shipped to Magallanes per m.v. "Londra".

17. STEAMER MOVEMENTS.

m.v. "Londra" arrived from United Kingdom on 11th instant and sailed on 12th.

m.v. "Lautaro" has been substituted for m.v. "Lagarto" sailing from U.K. 14th November.

18. With reference to my 780. 35. The wool specimens for the Imperial Institute go forward by this opportunity.

19. REMITTANCE. I do not expect that I shall require a remittance from you at the end of May but may do so at the end of June.

I am,

Sir,

your obedient servant,

Manager.

ENCLOSURES

1. Despatch No. 780.
2. Statement on Accounts No. 80.
3. Remarks on Accounts No. 80.
4. Store Indent No. 746.
5. Remarks on Stores Nos. 746 & 746a.
6. Remarks on Naval Fuel Depot No. 51.
7. Engineering Remarks Nos. 1, 2 & 3.
8. F.Is. Shipping Report No. 4/36.
9. Coal Statement for March.
10. Coasting Insurances - February & March.
11. P.S.N.Co. Account (31st March)
12. R.M.Lines Account do
13. F.Is. Gazette - 1st April.
14. "Lafonia" Inward Reports Voy. E.7, 8, 8a.
15. "Lafonia" Itineraries to 31st December, 1936.
16. Supplement to "Penguin" of 21/3/36.
17. " " " " 6/4/36.
18. Photos.

CORRESPONDENCE.

Copy of letter to Managing Director re Accident to D. Stacey.
 " " " " Lloyd's re salvage "Gentoo"
 " " " " Mr. G. Perry re management of Ship Hotel.
 " " " " Tetzlaff, Pisano & Co. (Fox Farm)
 " " " " Capt.J.Schmitt re sale of tripes.
 " " " " Col.Secty. from D.R.Watson - Secty.F & D.Seal
 Cc

Copies of letters to & from J.F.Bonner regarding a complaint re
 handling wool clip.
 " " " " " " Col.Secty. re Renewal of Mail Contr
 " " " " " " " " " "Great Britain"
 " " " " " " Messrs. Salvesens (See Despatch 780
 para.16
 " " letter from Mr.G.S.Yonge (freehold property adjoining
 North end of Fitzro
 Brid

SPECIFICATIONS.

<u>Mark</u>	<u>Wool</u>	<u>Skins</u>	<u>Tallow</u>	<u>Hides</u>	<u>Seal Oil</u>
N.A.	210				
F	18	4			
TRIANGLE P.H.	60	4			
" D.H.	3	1			
" F.B.	3	5			
H & B	2				
A.P.				29	
J.B.	49	4		61	
Z	7	2			
W.K.C.	5	3			
F S		8	1		
F.S.Co.					294.

ENCLOSURE LIST

1. Dispatch No. 781
2. Statement on Accounts No. 81.
3. Remarks on Accounts No. 81.
4. Store Indent No. 747.
5. Remarks on Stores No. 747.
6. Remarks on Naval Fuel Depot No. 52.
7. Coal Statement - April
8. Coasting Insurance - April
9. R.S.N.C. Account - 19th May
10. R.M. Lines Account do.
11. F.I. Gazettes - May.
12. Lafonia Inward Reports - Vows 9, 10, 11.
13. Lafonia Amended Itinerary
14. Pages Comparative Statement - 1st quarter 1936.
15. Copy of Licence to take Seal On Lafonia
16. Certificate & Claim in respect of rebaling one ~~box~~ bale of wool
17. Copy of Mail Contract
18. Copy of Farm Wages Sheet
19. Plan of proposed alterations to Stanley Office.

CORRESPONDENCE

Copy of Colonial Secretary enclosing letter from W.H. Luxton
" letter from Cranston Woolhead
Envelope addressed to H.P. Goddard Esq.

RECAPITULATIONS

<u>NAME</u>	<u>WOOL</u>	<u>SKINS</u>	<u>TALLOW</u>	<u>HIDES</u>
S.	128	5	AM	80
H.	8			
D.H.			69	159
M.P.		1	3	
J.L.S.	3	11		
Triangle D.H.		3	2	
Heart	4	6	1	
D & S	4	9		
1	1	8	4	23
R.B.2.		3	18	
S.B.	11	18	20	

P R E C I S

1. Acknowledges receipt of your No. 1396 and confirms No. 781.
2. Reports arrival of "Lafonia" H.V. Transformer.
3. Mutton sheep for Magallanes - reports shipment per "Lafonia" from Darwin on 21st June.
If coal available "Lafonia" will make a voyage to Magallanes at end of August.
4. Confirmation of purchase of 1937 trips received from Mr. J. Schmitt.
5. Steel drums - your remarks noted.
6. Notes premium quoted for "Lafonia" voyage to Grahamssland.
7. "Roydur" insurance - rates noted.
Enquiry received for charter of vessel for voyage to Margaret Bay and return.
8. H.E. the Governor informs me verbally that sanction of Secretary of State received for new Mail Contract.
9. Navy Point Quarantine Station - correspondence enclosed.
10. Motor insurance - rates not yet to hand.
11. Acknowledges receipt of Catalogues and Brokers' reports of May wool sales.
12. Sparrow Cove Lease to hand. Application for renewal will be made.
13. Encloses Mr. Thomson's final report on "Roydur".
14. Reports docking of "Fort Edgar" on 29th June. Mr. Thomson's preliminary report enclosed.
15. Encloses copies of correspondence with Government re license issued to Sealing Co. to operate in Lafonia.
16. Sealing Co. - reorganisation - correspondence between Sealing Co. and Government enclosed.
17. "Lafonia" movements.
18. Steamer movements.
19. Unemployment - encloses copies of tenders issued by Government re repairs to roads.
20. Advises Bar takings at new Ship Hotel since opening of premises on 21st May last.
21. Malvina House - encloses Deed of Conveyance for Mr. James Pelton's signature, and completion.
22. Encloses latest copy of Immigration (Restriction) Ordinance 1936.
Copies have been forwarded to our Agents from this office.
23. Details passengers travelling per "Lafonia" this voyage.
24. Advises Mr. Paterson sails for U.K. per this "Lafonia".
25. Store indent for shipment in October enclosed.
Space required by Government will be telegraphed to you as soon as known.

"LAFONIA" via Montevideo.

17th July,

36.

782.

Sir,

I have to acknowledge receipt of your Despatch No. 1396 dated 22nd May and to confirm our No. 781 of the same date.

2. 1396. 4. "LAFONIA" WIRELESS. The H.T. Transformer has been received but as the set is now working efficiently the repaired Transformer has not been refitted.

3. 1396. 6. WUTTON SHEEP TO MAGALLANES. An experimental shipment was sent from Darwin on June 21st. ⁴⁰¹418 were shipped and 344 landed. Messrs. Dick & Bravo report that they arrived in good condition. Mr. Goddard informs me that they were well received and recommends a further shipment ex Barren Island. Arrangements have accordingly been made for a voyage during the second half of August subject to 400 tons Coronel coal being obtainable at Magallanes. Advice about this is expected from Messrs. Dick & Bravo before "Lafonia" leaves for Montevideo.

The 394 sheep were sold before arrival for \$69.00 Chilean currency per head. Total proceeds - \$27,186. Cost of 450 tons Mina Elena coal purchased £ 19,850. The next shipment of sheep should fetch a higher price.

We have an enquiry - if the voyage is made - to bring across 20/50 horses. Freight on these has been quoted at the P.S.N.C. rate of £3 per head plus 15% shippers risk.

4. 1396. 9. TRIPES. In a letter dated 21st May, Mr. J. Schmitt has confirmed his purchase of tripes for the 1937 season - at 2d per head per Mr. Young's letter dated 7th April - in the following terms - "I am pleased you are selling me the casingh in the following season 1937."

THE MANAGING DIRECTOR,
LONDON.

5. 1396. 10. STEEL DRUMS FOR SEAL OIL etc.

Your remarks are noted.

6. 1396. 11. INSURANCE OF "LAFONIA" - GRAHNSLAND.

The quotation of £2 additional per trip to cover this risk during the summer months is noted. If a voyage is arranged telegraphic advice will be sent you as requested.

7. 1396. 13 & 42. "ROYDUR". Your information regarding Insurance rates on this vessel is noted. A verbal enquiry was received from Capt. Ryder of the "Penola" for the charter of "Roydur" for a period of approximately 30 days for a voyage to Margaret Bay and back about February next. After obtaining Mr. Young's approval by telegram a quotation of £15 per day on a bare boat basis, charterers to pay insurance - was forwarded to him. This voyage is not now likely to take place as "Penola" sails for South Georgia at the end of this month for refitting. Nevertheless, I think it would be advisable to obtain quotations for "Roydur" to cover the risks of such a voyage.

8. 1396. 16. RAIL CONTRACT. His Excellency the Governor has informed me verbally that the approval of the Secretary of State has been received for the renewal of the contract, with the further proviso for a larger vessel in accordance with Clause 26 of the New Agreement.

9. 1396. 20. NAVY POINT QUARANTINE STATION. A copy of a letter and enclosure from the Government is herewith enclosed, together with my acknowledgement.

10. 1396. 25. MOTOR INSURANCE. The rates from the Royal Insurance Co. Ltd. are not yet to hand.

11. 1396. 38. I acknowledge receipt of Catalogues and Brokers' Reports in respect of the May wool sales.

12. 1396. 39. SPARROW COVE LEASE. This is to hand. Application for renewal will be made in due course.

13. OF THE "LAFONIA". This vessel was undocked on June 11th. A certain amount of work still remains to be done in the side bunker spaces. This work is only taken in hand during bad days.

Otherwise ^{the} vessel is ready for sea within 12 hours.

Enc. Mr. Thomson's final report is enclosed herewith.

14. PORT EDGAR. This vessel was docked on June 29th.

Enc. Mr. Thomson's preliminary report is enclosed. A full report will be sent later.

15. SEALING IN LAFONIA. SEALING COMPANY'S LICENCE.

Enc. I enclose copy of a letter and enclosure from the Government in connection with the premisses granted by the Company to the Falklands & Dependencies Sealing Co. Ltd. to conduct sealing operations in Lafonia. A copy of my reply is also attached.

16. SEALING Co. REORGANISATION. Copies of further correspondence between the Sealing Company and this Government are enclosed.

Enc.

17. "LAFONIA" - MOVEMENTS. s.s. "Lafonia" returned from Montevideo on June 18th bringing a full cargo, and has since made the following voyages -

E 13. Darwin, Foxbay, Magallanes, Albemarle, Speedwell Island, George Island, North Arm, Bleaker Island and Darwin.

E 14. Albemarle, Foxbay, ~~Swain Island~~, Egg Harbour, Brenton Loch, Port San Carlos, San Carlos and Salvador Waters.

On voyage E 13 seven passengers made the round voyage and an additional 32 passengers were brought in on the return.

On voyage E 14, 29 passengers embarked for various ports.

She sails on 18th instant with 10 passengers, 414 bales wool, 21 bales sheepskins, 477 hides, 72 drums tallow, ⁶³³ drums seal oil, and seal-bones.

MAGALLANES. In spite of the embargo placed on the export of coal from Chile, our Agents were able to obtain a permit for the export of our requirements.

18. STEAMER MOVEMENTS. m.v. "Gentoo" arrived on June 9th and sailed on 21st idem. She returned here on 13th instant with

No. 762 per "Lafonia", 17/7/36. - 4 -

a second consignment of wool for shipment making a total of 90 bales.

"PENOLA". This vessel is expected to leave for South Georgia shortly after the return of "Lafonia" from Montevideo. She proceeds there for refitting and it is understood will be dry-docked at Stromness. She is expected to return here some time in November before returning South to Margaret Bay, Grahamsland.

Enc. 19. UNEMPLOYED. I enclose copies of tenders sent out by the Department of Public Works for the repair and alteration of roads.

20. NEW SHIP HOTEL. Since the opening of this Hotel for business on May 21st the bar takings are as follows :-

May £90. 6. 9. June £ 135. 2. 4.

Enc. 21. VALVIRA HOUSE. A Deed of Conveyance has been drawn up transferring the interest of Mr. James Felton in this property to Mr. G.J. Felton. It is enclosed herewith for the former's signature and completion.

Enc. 22. IMMIGRATION. I enclose the latest copy of Immigration (Restriction) Ordinance 1936. Copies have been sent to our Agents at Montevideo and Magallanes also to the P.S.N. Company, Valparaiso and to the Royal Mail Lines Ltd., Buenos Aires.

23. S.S. "LAFONIA". The following passengers travel by "Lafonia" this voyage -

Capt. C.O. Hutchison, R.N. (Ret).	United Kingdom.
Mr & Mrs Slade & child	Montevideo.
Mr & Mrs G.W. Butcher.	United Kingdom.
Dr. & Mrs Paterson.	do.
Mr J.R. Carey.	do.

24. CAMP DOCTOR. Dr. & Mrs. Paterson arrived in Stanley from Brenton Loch on the 16th instant and sail on "Lafonia" for United Kingdom via Montevideo on the 18th instant.

25. STORE INDENT for shipment in October. As instructed by cable this is being forwarded by this mail. Indents are sufficient to cover requirements up till approximately end of January 1937. The Government have been advised and their space

No. 782 per "Lafonia" 17/7/36. - 5 -

requirements will be telegraphed to you as soon as known.

I am,

Sir,

your obedient servant,

for Manager.

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Summary

DATE	TIME	NAME	REMARKS
1936	10.00	John	...
1936	10.15	John	...
1936	10.30	John	...
1936	10.45	John	...
1936	11.00	John	...
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1936	12.00	John	...
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1936	18.30	John	...
1936	18.45	John	...
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1936	22.00	John	...
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1936	22.30	John	...
1936	22.45	John	...
1936	23.00	John	...
1936	23.15	John	...
1936	23.30	John	...
1936	23.45	John	...
1936	24.00	John	...

ENCLOSURES

1. Despatch No.782.
2. Statement on accounts No.82
3. Remarks on accounts No.82
4. " " Naval Fuel Depot No.53.
5. Store Indent No.748
6. Remarks on Stores No.
7. P.S.W.C. account - May & June
8. R.M.L. account - June.
9. Coal Statement - May & June.
10. F.I.Gazette 1/6/36.
11. Coasting Insurances May & June
12. Camp Wages Statement - June Quarter - Fitzroy
13. Extract from "Lafonia" log and note of protest 23/5/36.
14. Engineering Remarks No.4. - s.s."Roydur" & No.5. - "Port Edgar"
15. F.I.Shipping Report 5/36.
16. "Penguin" - 30/5/36 & 13/7/36.
17. "Lafonia" Inward Report - Voyages 11.3. 12. 13. 14.
18. Copy of Immigration (Restriction) Ordinance No.3. of 1936.
19. Conveyance J.B.Felton/G.J.Felton.

CORRESPONDENCE.

Copy of letter to R.M.Lines London re extra remittance.
 " " " Colonial Secretary 16/5/36 re Customs Supervision of
 foreign vessels whilst in Colonial Waters.
 " " " from Colonial Secretary 2/6/36 re do.
 Copies of correspondence with Government re license issued to Sealing
 Co. to operate in Lafonia
 " " " between Sealing Co. & Government re reorganiz-
 ation
 " " " with Government re Quarantine Station at Navy
 Point

Specifications

<u>Mark</u>	<u>Wool</u>	<u>Skins</u>	<u>Hides.</u>
W.C.			47
N.A.	25	10	
B.I.	26	3	
Triangle F.B.	-	3	
J.H.D.Pebble	50		
J.H.D. -K-	40		
S & S	37	1	
F.S.Co.	633 drums Seal Oil.		

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No. 783 per "Lafonia" via Montevideo 28/6/36.

P E R C I S

1. Acknowledges receipt of your No.1397 and confirms No. 782.
2. "Roydur" insurance - noted. Confirms cable of 27th ulto. Reports trial trip on 29th July and subsequent voyage to Darwin etc. on 1st August.
3. Royal Mail Lines - amended through fares - verbal enquiry received from Government re other Lines sailing ex River Plate.
4. Sheep to Magallanes (June). Corrects number of head shipped and encloses claim for loss during voyage.
5. Improvements to Colonial Manager's Office - notes your approval.
6. Notes grant of pension to William Pauloni.
7. Reports arrival in good condition of 450 drums per "Lagarto".
8. G.S.Yonge, Bluff Cove - matter has my attention.
9. Advises arrival of Dr. & Mrs. H.Gray on 30th July and departure for Darwin on 1st instant.
10. Encloses Wages Comparative Statement for 2nd quarter 1936.
11. Awaits your instructions with regard to disposal of Milk "Great Britain". Correspondence enclosed.
12. Regrets to report illness of John Walsh, Foreman.
13. Seal oil - scarcity of seal lapodes production. Shipment of 150 tons nett expected by this "Lafonia".
14. News of the purchase of s.s. "Southern Coast" received here with satisfaction.
15. Encloses further indent for stores for shipment by "Southern Coast". Local consignees have been advised of our willingness to accept cargo for the Colony.
16. Confirms cable of 13th instant advising cancellation of August voyage to Magallanes.
17. Reports postponement of "Lafonia" docking owing to occupation of Dock by "Port Edgar".
18. Encloses further report by Mr. J.M.Thomson on "Port Edgar's" hull (forward).
19. "Lafonia" movements.
20. Steamer movements.
21. Baillon & Stickney - Station accounts checked to 30/6/36 and new set of books opened as from 1st Jan.1936.
22. Encloses copies of correspondence with Government re taxation of Lighters and hulks.
23. Advises application made to Government on behalf of Sealing Co. to kill further 6,000 seals.
24. "Lafonia" voyage to South Georgia - owing to commitments vessel will be unable to sail earlier than 28th October.
25. Advises you a remittance will be required end August & September
.....

"LAFONIA" via Montevideo.

28th August, 36.

783.

Sir,

I have to acknowledge receipt of your despatch No. 1397 dated July 3rd, 1936 and to confirm my No. 782 dated 17th idem.

2. 1397. 4. "ROYDUR". Insurance on this vessel for port risks only for 3 months from July 1st is noted. A cable was sent to you on 27th ulto. requesting you to effect insurance for ordinary sea risks for a period of 15 days only from July 29th.

A trial trip was made on July 29th to Port Louis and back. His Excellency the Governor and the Honourable the Colonial Secretary were invited.

On August 1st "Roydur" left for Darwin and the Speedwell Islands and various sealing grounds in Lafonia. The vessel returned to Stanley on August 11th. A short report on the vessel's performance and the work done is enclosed.

3. 1397. 5. ROYAL MAIL LINES LTD. - AMENDED THROUGH FARES.

The Colonial Government were informed of the increased rates. I have since had verbal enquiries from the Colonial Secretary as to alternative lines serving River Plate ports and the names of their Agents in Montevideo. I have informed him that the matter of increased through fares by Royal Mail Lines is receiving Mr. Young's attention.

4. 1397. 8. "LAFONIA" - MACALLANES VOYAGE. The number of sheep shipped at Darwin was 401, and not 410 as mentioned in our cable of June 22nd. The mistake arose over the telephone message from Darwin when the vessel sailed.

The Managing Director,

London.

No. 783 per "Lafonia" 26/8/36. - 2 -

A claim is being sent in respect of the 7 sheep lost during the voyage.

The shipment was well received and sold for \$69.00 per head Chilean currency.

5. 1397. 9. COLONIAL MANAGER'S OFFICE. Your approval of the proposed improvements is noted.

6. 1397. 16. N. PAULONI - PENSION. The grant of an ex gratia pension of \$36 per annum from the date of his ceasing to be employed is noted.

7. 1397. 17. The 450 drums shipped per "Lagarto" from Glasgow were delivered in good condition. They appear to be very sound drums and will minimise the losses of seal oil suffered in the past from leakages.

8. 1397. 18. G.S. YONGE - BLUFF COVE. Your remarks in respect of the produce from Bluff Cove and the control of the amount of Mr. Yonge's drawings are noted and will be attended to.

9. CAMP DOCTOR. 1397. 19. Mr. & Mrs. Norman Gray arrived per "Lafonia" on July 30th and were taken to Darwin on "Reydur" on August 1st.

10. COMPARATIVE STATEMENT OF SALES for the second quarter of 1936 is enclosed, showing a total decrease of \$165. 14. 10. as compared with the same quarter of last year.

11. "ORIENT BRITAIN". Instructions with regard to the disposal of this hulk is still awaited. I enclose copies of correspondence from the Government and from Capt. Hutchison, R.N. together with my reply.

12. I regret to announce the illness of John Walsh, foreman of the Navy gang in Stanley. He has been off duty since 11th August and is shortly to be admitted to Hospital for a surgical operation, for gall stones.

13. SEAL OIL. During the latter half of July and the beginning of this month, the production of oil was very small owing to scarcity of seal. Since the middle of this month production has increased considerably. The Manager of the P.I. & S. Sealing Company now reports seal plentiful. We expect to ship

800 drums seal oil by the "Lafonia" equivalent to about 150 tons nett. As will be seen from my report on "Koydur" and her voyage to Lafonia seals were al- scarce during the first 10 days of August, on our own territory.

14. "SOUTHERN COAST". News of the purchase of this vessel was received with general satisfaction here - His Excellency the Governor expressing his appreciation in a marked manner.

15. CARGO PER "SOUTHERN COAST". A further indent for miscellaneous stores is sent herewith and an advance copy will be posted by air mail from Montevideo.

Local consignees have been advised that we are prepared to accept cargo at the ruling P.S.N.C. rates.

16. "LAFONIA" - MADAGASCAR - AUGUST VOYAGE. On August 6th we received telegraphic advice from Dick a Bravo that they were unable to obtain a permit for the export of Coronel coal. This voyage had therefore to be cancelled as advised you by cable on 13th instant.

17. "LAFONIA" DRYDOCKING. This has had to be postponed as the dock is still occupied by "Port Edgar". The expense of undocking and re-docking this last vessel would have been excessive owing to the nature and extent of the defects to the underwater portion of the hull. The boilers of s.s. "Lafonia" have been cleaned and various internal maintenance work taken in hand and completed.

18. "PORT EDGAR". The scaling of this vessel has been carried out at intervals and a further report by Mr. Thomson on the condition of the forward portion of the hull so far inspected is enclosed.

Enc.

19. "LAFONIA" MOVEMENTS. s.s. "Lafonia" returned from Montevideo on July 30th, she has since made the following voyages -

- E 17. Foxbay, Albemarle, Port Stephens, New Island, Weddell Island, Spring Point, Chartres, Bay Cove, West Point Island, Hill Cove, Port San Carlos and Teal Inlet.
- E-18. North Arm, Foxbay, Albemarle, Spring Point (Emergency call).

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No. 785 per "Lafonia" 28/8/36. - 1, -

She is expected to sail for Montevideo on Saturday, August 29th, with the following cargo and passengers -
680 drums Seal oil, 30 bales wool, 8 bales sheepskins, 3 packages tallow, 74 hides, 21 seal hides.

Passengers - Mr. H.G. Magranda.
Mrs C. Andreassen & child.
Mr D. Walsh.
Messrs. S. Lyse, D.J. Sallis, J. Kendal, C. Scott
and H. Borrido.

20. STEAMER MOVEMENTS. The Commonwealth & Dominion liner "Fort Lunedin" called unexpectedly on August 13th to land a patient for hospital.

The P.M.N.Co's. M.V. "Legarto" arrived on August 17th and sailed August 18th for Magallanes etc.

The R.C.Y. "Tenola" sailed for South Georgia on August 1st and was reported to have arrived there on August 12th.

21. BAILLON & STICKNEY. Mr. N. Robson, Manager of Foxbay West, paid a visit to Stanley in July. The station accounts were checked by Mr. Hodgson up till 30th June. A new set of books have been opened as from January 1st, 1936.

Enc. 22. TAXATION OF LIONFISH & HULKS. I enclose copies of correspondence with the Government on this subject. As this matter was originally dealt with personally by Mr. Young I have asked that the question may be deferred until his return. We have not been able to trace the letter referred to in Deepatch No. 702.40. dated 15th July, 1929 and No. 1315.30 dated 18th September, 1929 nor any other subsequent correspondence on the subject.

23. SEALING Co. Application has been made on behalf of the P.I. & D. Sealing Co. Ltd. for the permit to kill the second 6,000 seals and the Government's sanction is now awaited.

24. VOYAGE TO SOUTH GEORGIA. I learn from the Colonial Government that the South Georgia Co. and the Compania Argentina de Pesca require the Falkland Islands men for the whaling season as early as October 1st. I have pointed out that owing to returning passengers from U.K. to their stations, we cannot possibly leave for South Georgia before October 28th. This has been agreed to. It will therefore be necessary to make the vo

No. 783 per "Lafozia" 28/8/36. - 5 -

to Magallanes for rams between November 7th or 8th and November 21st. Mr G.M. Goddard will be able to proceed to Magallanes for the purchase of rams per "Losada" and return with "Lafozia". The usual notice of importation has been sent in to the Chief Inspector of Stock.

25. REMITTANCE. We are telegraphing you tomorrow for a remittance of £1,500. We shall probably require a further £1,000 at the end of September.

I am,

Sir,

your obedient servant,

for Manager.

3

No. 783 per "Lafonia" via Montevideo, 23th August, 1936.

- E N C L O S U R E S -

1. Despatch No. 783.
2. Statement on accounts No. 83.
3. Remarks on accounts No. 83.
4. Engineering Remarks Nos. 6, 7, 8.
5. Store Indents Nos. 749, 749a & Darwin Indent.
6. Remarks on Stores No. 749.
7. Report on Performance of s.s. "Röyður" and Inspection of sealing grounds in Lafonia.
8. "Lafonia" Inward Reports Voy. E 15, 16, 17 & 18.
9. F.I. Shipping Report No. 6/36.
10. Coasting Insurances - July.
11. P.S.N.C. account 25/8/36.
12. Coal Statement - July.
13. Stanley Ledger balances - 30th June, 1936.
14. Royal Mail Lines A/c - July.
15. Wages Comparative Statement No. 18.
16. "Penguin" 24/7/36 - 2 copies.
17. F.I. Gazettes, 1st July & 1st August, 1936.
18. Camp Wages, June quarter, D.H., N.A., S.I.
19. Wages Sheet Jan - June 1936 - Baillon & Stickney
20. Letter to Mr. Young re remittances
21. Specification of "Lafonia" shipment 18/7/36

C O R R E S P O N D E N C E

Copy of letter from Capt. C. Hutchison 16/7/36. { re disposal of
" " " Colonial Secretary 24/7/36 { "Great Britain"
" " " to Colonial Secretary 12/8/36. }

S P E C I F I C A T I O N

MARK	WOOL	SKINS	TALLOW	HIDES
N.A.				69
F.I.C.S.I.	29			28
Z		7		
L			3	10
G. Mc K	1	1		



No. 784 per "Lafonia" via Montevideo, 25/9/36.

No. 784 per "Lafonia" via Montevideo 26th September, 1936.

ENCLOSURES

1. Despatch No.784
2. Statement on Accounts No.84.
3. Remarks on Accounts No.84.
4. Engineering Remarks No.9.
5. Store Indent No.750
6. Remarks on Stores No.750
7. Coal Statement - August & September.
8. Falkland Island Shipping Report 7/36
9. F.I.Gazette - 1/9/36.
10. Coasting Insurance - August
11. Royal Mail Lines Account - 21/9/36.
12. "Lafonia" inward reports E.19. & 20.
13. Note of Protest "Lafonia" and Log Extract
14. " " " " "Roydur", Log Extract and Claim
15. "Lafonia" Itinerary to 3/12/36.

SPECIFICATIONS

<u>MARK</u>	<u>WOOL</u>	<u>SKINS</u>	<u>TALLOW</u>	<u>HIDES</u>
 s		20	1	
				28
L.		5		
J.L.W.	3	9		
E.E.M.	3			
J.H.D. Pebble	33			
J.H.D. -K-	20			
W.P.				3
D.H.				104
S.I.				14
W.J.H.		18		96
H.				9
T.R. Port Louis		4		
Mc G.		8		26

No. 784 per "Lafonia" via Montevideo, 25/9/36.

P R E C I S

1. Acknowledges receipt of your No. 1398 and confirms No. 783.
 2. Late shipment of produce from Montevideo (July) - matter will be taken up with Maclean & Stapledon.
 3. Seal oil - acknowledges receipt of your cable of 19th inst. re sale of second shipment.
Balance of season's produce goes forward in November.
 4. W.R.Halliday - Grahamsland Expedition - Insurance - your remarks will be passed on to Capt. Ryder.
 5. Wool classer - requirements of new Immigration Ordinance have been complied with and permit to land since obtained.
 6. Seaman ex "Port Dunedin" - advises repatriation this "Lafonia".
 7. J.Walsh - reports progress of.
 8. Steamer movements.
 9. "Roydur" - reports damage sustained to vessel at East Jetty on 2nd instant. Protest noted. Claim enclosed.
 10. Advises grounding of "Lafonia" at Chartres, E.20.
No damage anticipated. Protest noted.
 11. Motor insurance - one enquiry so far received. Requests further particulars from Royal Insurance Co.
 12. Sparrow Cove - application for renewal of Lease made.
 13. Government and Clients notified of April 1937 connection for U.K. as per your cable of 18th inst.
 14. Reports arrival of new Stock Adviser on 10th instant and his visit to Darwin, Fitzroy and Port Louis.
 15. Christchurch Cathedral - advises appointment of new Chaplain.
 16. Sustentation Fund - discussion re sale of Endowment Fund investments at recent meeting.
 17. Awaits further details of "Southern Coast" with interest.
 18. Encloses "Lafonia" itinerary to 3rd December next.
- Will require a remittance from you at the end of September.

... ..

"LAFONIA" & "HIGHLAND PATRIOT".

25th September, 36.

784.

Sir,

I have to acknowledge receipt of your despatch No. 1398 dated 14th August, 1936 and to confirm my No. 783 of 28th idem.

2. 1398. 2. SHIPMENT OF PRODUCE "LAFONIA", E 16, 18th JULY.

It is unfortunate that this shipment was so late in being despatched from Montevideo. Messrs. Maclean & Stapledon offer no explanation and the matter will be taken up. They were advised of the shipment "approximately 400 bales 60 tallow 100 tons seal oil" as early as June 22nd.

3. 1398. 3. SEAL OIL. The fall in the price of oil is unfortunate. Your cable advice of the price obtained for the second shipment was received on the 19th instant. No oil is being shipped this voyage. The balance of the season's production will be shipped in November. I am advised that the quantity of oil on hand on the 19th instant was 100 tons.

4. 1398. 5. W.R.HALLIDAY - EMPLOYERS LIABILITY INSURANCE A/O GRAHAMSLAND EXPEDITION. Your remarks are noted and will be passed on to Capt. Ryder.

5. 1398. 6. WOLF CLASSER. The requirements of the new Immigration Ordinance have been complied with and the necessary permit obtained.

6. 1398. 10. "PORT DUNEDIN". The seaman, D. Levens, is being repatriated this voyage per "Lafonia" and "Highland Patriot".

7. MR. J. WALSH was operated upon on the 19th instant. He is progressing as well as can be expected.

8. STEAMER MOVEMENTS. S.S. "Lafonia" returned from Montevideo

THE MANAGING DIRECTOR,

LONDON.

late p.m. on the 10th instant. She has since made a voyage to the following ports -

Salvador Waters, Port San Carlos, Port Howard, Hill Cove, Carcass Island, West Point Island, Roy Cove, Chartres, Spring Point, Dunnose Head, New Island, Port Stephens, Albemarle, Foxbay & Darwin.

On the outward voyage 29 passengers were embarked. A further voyage has been made to Port Louis to land the new Long Island house. She sails at noon on Saturday for Montevideo and South Brazil with the following cargo and passengers -

57 bales wool, 57 bales sheepskins, 450 hides, 3 tallow and 20 passengers, made up as follows :-

2 for "Southern Coast"
13 for repatriation (3 families)
1 for Montevideo
Capt. & Mrs W.M.Allan who are leaving the Colony.
Mr. D.Levins ex "Port Dunedin"
Miss M.Bonner.

s.s."Roydur" made an emergency voyage to Spring Point on August 30th for account of Mr. Shannon. A cable was sent to you requesting you to insure. The vessel returned on September 1st. A charge of £89. 10. -. was made for this service - which has been paid.

9. "ROYDUR" - DAMAGE. I regret to report some damage to this vessel after her return from Spring Point. She arrived at 7.30 p.m. on September 1st in perfect weather - with no indication of any change. She was left berthed at the East Jetty with orders for steam for shifting to anchorage at 8.30 a.m. on the 2nd. At 6 a.m. a strong Northerly wind commenced which had suddenly increased to gale force by 8.30 when it was found impossible to attempt to manoeuvre the vessel off the jetty. The gale steadily increased during the day to force 11. Fenders were constantly attended to and replaced as necessary - several being cut through. The gale began to moderate at 8 p.m. when it was found safe to leave her until morning. Protest has been noted, which, together with a statement of claim for damage, is sent herewith. None of these repairs is immediately necessary and may be deferred. Seaworthiness is not affected.

This was the heaviest gale experienced from this direction

for many years. Two cutters were wrecked but no other damage to the Company's property. A chimney of one of the Company's houses was in some danger. This has since been rebuilt and made safe.

10. S.E. "LAFONIA". This vessel stranded at Chartres last voyage - E.20 - in attempting to enter the Inner Harbour. The ship grounded on soft sand. Protest has been noted but no damage is anticipated. The vessel lay aground 12 hours and refloated on the next tide.

11. MOTOR INSURANCE. We have so far one enquiry regarding this. Have our motor lorries been insured? We need more particulars regarding the insurance of such vehicles. The forms of Proposal sent out by the Royal Insurance Co. Ltd. do not appear to cover trade vehicles but only motor cars for private or professional use. Does the term "professional" cover trade vehicles carrying goods?

12. SPARROW COVE, RENEWAL OF LEASE. This has been applied for. I am notified that the sanction of the Secretary of State for renewal under Section 9 of Ordinance No. 9 of 1903 is awaited.

13. ROYAL MAIL SAILINGS 1937. The Government and Clients have been notified of the intended sailing to connect with "Alcantara" reaching England in time for the Coronation, as per your cable of 18th instant. Immediate reservations have been recommended.

14. STOCK ADVISER. Mr. Weib, the new Stock Adviser, arrived per "Lafonia" on the 10th instant. He left Stanley for Darwin via Fitzroy on the 18th inst. and has since spent 4 days at Darwin visiting parts of Lafonia and Cantera. He is now on his way across the mountains from Fitzroy to Port Louis. Mr G.M. Goddard is impressed with him.

15. CHRISTCHURCH CATHEDRAL. A new Chaplain has been appointed - the Rev. G.K. Lowe of Murrillo, Ontario, Canada. He and his wife are expected to arrive in Montevideo about November 29th, 1936.

16. SUSTENTATION FUND COMMITTEE. This Committee now meets quarterly. A meeting was held on the 7th instant. Certain

No. 784 per "Lafonia", 25/9/36. - 4 -

recommendations to be put before the Trustees with regard to the sale of Endowment Fund investments were discussed.

17. "SOUTHERN COAST". Further details of the vessel are awaited with interest.

Enc. 18. "LAFONIA" ITINERARY up to December 3rd is enclosed.

19. REMITTANCES. I shall cable you tomorrow requesting you to remit £2,000 through the Crown Agents for the Colonies. This is necessary owing to large deposits being made at the Savings Bank during the month.

I am,
Sir,
your obedient servant,

for Manager.

No. 785 per "Fitzroy" via Montevideo 20/11/36.

ENCLOSURES

1. Statement on Accounts No.85
2. Remarks on Accounts No.85.
3. Store Indent No.751
4. Remarks on Stores No.751
5. Coasting Insurances - September & October
6. R.M.L.Account 30/9/36.
7. P.S.N.C. Account 16/11/36
8. Wages Comparative Statement No.19.
9. F.I.Gazettes - 1/10/36 & 2/11/36,
10. Coal Statement - October
11. Stanley Ledger Balances - 30/9/36.
12. F.I.Shipping Reports Nos. 8,9,10, & 11/36
13. Return of Est. and Wages - Farm - all sections
14. "Fitzroy" Inward Reports - Voyages E.21/23
15. Remarks on Naval Fuel Depot No.54
16. Despatch No.785

CORRESPONDENCE

Copy of letter from Colonial Secretary 12/10/36 re renewal of lease
Port Stephens

SPECIFICATIONS

<u>Mark</u>	<u>Wool</u>	<u>Skins</u>	<u>Tallow</u>	<u>Hides</u>
D.H.				104
H & B	13	25		
F.I.C. S.I.				42
F S		20	1	28
F.S.C.		548 drums	Seal Oil	

Book
No. 785 per "Pitzroy" via Magallanes, 11th November, 1936.

P R E C I S

1. Acknowledges receipt of your No. 1399 and confirms No. 784.
2. Notes that Mr. Young is in negotiation with Royal Mail Lines re amended fares.
3. Sheep to Magallanes - notes claim has been made for loss on June voyage. Further shipment will be made next week. Advises arrival at Stanley of representative of Messrs. Gildermeister Tres Puentes Freezer to discuss purchase of exportable surplus sheep.
4. "Great Britain" - notes that Mr. Young will deal with the question of the disposal of this hulk on his return.
5. Seal oil - notes your remarks regarding second shipment. Final shipment of 154 tons will be made 21st instant.
6. Your advices regarding delivery of "Southern Coast" (now "Lafonia") are noted.
7. Our enquiry and application for a permit to export Coronel coal from Magallanes now cancelled.
8. Notes that proprietors of Messrs. Baillon & Stackney are agreeable to expenditure of approximately £500 per annum on stock and fencing, subject to wool prices.
9. Reports delay to "Pitzroy" South Georgia and Magallanes voyages due to fog.
10. Employers liability - awaits rates which may be quoted to farmers.
11. Bertrand & Felton, West Point Island - separate account will be kept.
12. Malvina House - Deed of Conveyance to hand.
13. Wool - notes position of market during September sales.
14. Confirms cable of 2nd ulto. re insurance of "Owendolin" and "Port Richard" from Albemarle to Stanley.
Total production of seal oil for season = 409 tons.
15. Reports recovery of John Walsh, and his return to work on 26th ult.
16. Steamer movements.
17. Advises sailing of Mr. G.H. Goddard per "Losada" to Magallanes, 21st ulto. and arrival of Mr & Mrs J.D. Greener from U.K. 24th idem.
18. Sheep to South Georgia - 397 live sheep and 200 carcasses shipped.
19. Advises "Port Edgar" ~~was~~ ready for undocking early next week.
20. Encloses Wages Comparative Statement for September quarter.
21. Government Medical Officers - Senior Medical Officer to be transf'd. to British Honduras. New Medical Officer expected to arrive early December.
22. Malvina House - reports Mortgage duly completed.

... ..

s.s. "FITZROY" via Magallanes.

7th November, 36.

785.

Sir,

I have to acknowledge receipt of your despatch No. 1399 dated 2nd October, 1936 and to confirm my No. 784 of 25th September, 1936.

2. 1399. 3. ROYAL MAIL LINE - AMERICAN PARAS. I note that Mr. Young is in negotiation with the Company concerned.

3. 1399. 4. SHEEP TO MAGALLANES. It is noted that a claim on Underwriters for the 7 sheep lost during the June voyage has been made. A further shipment is to be made next week from Darwin and Speedwell Island. It is satisfactory to learn at first hand that these sheep are well liked at Magallanes. A representative of Messrs. Gildermeister Tres Fuentes Freezer came over per Chilean s.s. "Patagonia". His firm is interested in the purchase of the whole of the islands exportable surplus. He has recently returned from a tour of the West Falklands and returns to Magallanes per "Fitzroy". He informs me that he expects to be able to purchase from 10 to 12,000 from the West Falklands and a similar number from West Falkland farmers, not including the Company. He will see Mr. G.M. Goddard at Magallanes. I have also strongly advised him to meet Mr. Young at Montevideo in December to discuss his proposals in general and in particular the shipping and financial aspects.

A further letter will be addressed to you from Magallanes after I have discussed matters with Mr G.M. Goddard. I cabled you on 26th ulto. with reference to this matter for your information and in order that Mr. Young should have the opportunity to discuss the possibilities before leaving England.

THE MANAGING DIRECTOR,

LONDON.

4. 1399. 7. "GREAT BRITAIN". I note that Mr. Young will deal with the matter of the final disposal of this hulk on his return. You will be interested to learn that on 17th ulto. I took His Excellency the Governor in company with Mr G.H. Goddard on a visit to the hulks in the harbour, including "Great Britain". His Excellency expressed great surprise at her construction, strength and her present condition, and had quite obviously been under the impression that the hulk was in a much worse state of preservation than is actually the case.

5. 1399. 8. HAUL OIL. Your remarks regarding the second shipment of 130 tons per "Lufonia", 19th August, and "Lelande" are noted - also the information from Messrs. David Geddes' letter to you regarding A and * grades ex "Maralew".

A further and final shipment for the year of 154 tons will be sent per s.s. "Pitaroy" on the 21st instant. A portion of this shipment is in the large drums, viz. 391 drums for which we expect the agreed allowance of 10/- per ton.

6. 1399. 9. "SOUTH COAST" now "LAFONIA". Your advice of the delivery of this vessel is noted. Details of the vessel's condition and examination in drydock are to hand in Mr. Young's letter. It is satisfactory to learn that the vessel fulfills our requirements so well.

7. 1399. 10. CORONEL COAL - MAOALLANER. Our enquiry - and request for a permit to export which had been left open pending your decision for the importation of rams - has now been cancelled. Notice has been given, however, that s.s. "Pitaroy" may require up to 40 tons bunkers.

8. 1399. 11. BALLOON & EFFICIENCY. It is noted that the proprietors of this farm agree to the sum of about £500 per annum being expended in the purchase of rams and fencing, subject to wool values remaining at about present levels. This information is being forwarded to Mr. G.H. Goddard.

9. 1399. 13. s.s. "PITAROI" - VOYAGE TO SOUTH GEORGIA AND MAOALLANER. Owing to dense fogs around the Islands for five successive nights, s.s. "Pitaroy's" departure for South Georgia was delayed by 38 hours. The vessel may now be unable to leave

for Montevideo on her appointed date, 21st November. In view of possible unforeseen delays Government approval was sought and obtained in advance for the mails to be transhipped at Montevideo per "Asturias" leaving that port on December 4th and arriving Southampton December 21st. As the sailing of "Highland Brigade" has now been advanced to November 24th from Montevideo the matter is of less importance as we could not in any case have made that connection.

10. 1399. 14. BERTRAND & FELTON. The request of the proprietors of this Station that a separate account should be kept here for West Point Island is noted and being attended to. Also the copy of Mr. Harding's letter with reference to this matter, dated 1st October, 1936.

11. 1399. 15. EMPLOYERS LIABILITY. Rates which can be quoted to farmers to cover this risk are awaited.

12. 1399. 16. NAVYIA HOUSE. The deed of conveyance of Mr. James B. Felton's interest in this property is to hand.

13. 1399. 18. WOOL. It is noted that the market remained firm throughout September sales and that the prices realised for the Company's wool were satisfactory.

14. 1399. 19. SEALING. A cable was sent to you on the 2nd October advising you of "Gwendolin's" arrival from Albemarle in tow of "Port Richard". The total production of 409 tons of 1,000 kilos for the season is very satisfactory, and constitutes a record since operations have been confined to the short season - end of May to end of September. Seals were in good condition and the quantity of oil per seal shows an increase over previous years results.

15. Mr. JOHN WALSH. Mr Walsh has now quite recovered and returned to work on the 26th ulto.

16. STEAMER MOVEMENTS.
 M.V. "Isada" arrived from Bahia Blanca on October 21st and sailed the same evening. Owing to her deep draft the vessel did not enter Stanley Harbour and was discharged in Port William.
 S.S. "Fitzroy" arrived from Montevideo at 2 p.m. on 24th October with 107 tons cargo and 20 passengers. She sailed again at midnight

on the 15th calling at Douglas Station, San Carlos, Pebble Island, Saunders Island, Hill Cove, Foxbay and Darwin. She returned to Port Stanley on the 30th ulto. to embark the men for South Georgia and sailed the same afternoon. The vessel is now on her return voyage from South Georgia and is expected to leave on November 9th for Magallanes via Darwin and Speedwell Island.

Enc. A copy of the Itinerary to 3rd January, 1937 is enclosed.
British Grahamland Expedition Schooner "Penola" arrived from South Georgia on 1st instant after a passage of 30 days.
R.R.S. "Discovery II". It is reported that this vessel is expected in Stanley about 25th instant.

17. PASSENGERS. Mr G.E. Goddard sailed for Magallanes on s.v. "Losada" on 21st ulto.

Mr. & Mrs. J.D. Greaser returned to Stanley on s.s. "Fitzroy" on the 24th ulto.

18. SHEEP TO SOUTH GEORGIA. 397 sheep were embarked at Darwin. The number of carcasses had been increased by radio from Mr. Leganger Hansen at Leith Harbour, South Georgia, from 130 to 200 carcasses. The extra 70 were made up partly from Darwin and partly from Stanley.

19. "FORT MUGGER". This vessel is now ready for undocking except for the final coat of paint. This will be completed immediately prior to undocking early next week.

20. COMPARATIVE STATEMENT OF WAGES, for the quarter ended 30th September, 1936 is enclosed.

21. GOVERNMENT MEDICAL OFFICERS. The Senior Medical Officer, Dr. R.L. Cheverton, is to be transferred to British Honduras. He sails per "Reina del Pacifico" in February next.

The new Medical Officer, Dr. D.K. Cowan, in succession to Dr. H.G. Edmunds, is due to arrive per "Fitzroy" early December.

22. MALVINA HOUSE. The Mortgage on this property has been duly executed.

I am,
Sir,
your obedient servant,

for Manager.

P R E C I S

1. Reports my arrival on 29th December, 1936.
Acknowledges receipt of your Nos. 1400 & 1401 and confirms No. 785.
2. Notes that Certificate of origin on Form D119 (Sale) is to be used for Seal oil in future.
Acknowledges receipt of samples A & B seal oil.
3. "Roydur" damage - notes your remarks.
4. Royal Insurance Co. is being advised re insurance of our lorries.
5. Sparrow Cove lease renewed and is being retained in this Office together with that for West Cove.
6. Notes that P.S.N. Agency has been terminated as at 31st December last and arrangements come to with them re their vessels.
7. Reports arrival of Mr D. Miller per "Lafonia", 29/12/36.
8. Freight rates 1937 - encloses copies of circulars sent to Clients also statement showing how rates arrived at.
9. Confirms despatch of copy of agreement arrived at with Mr. Friedli of Gildermeister & Co. Tres Puentes Freezer to you from Montevideo. Nothing further has transpired.
10. James Clement - notes his appointment approved.
11. Kymac Fluid dip.
Oil Fuel ex Admiralty. Noted.
12. Advises arrival of s.s. "Lafonia" at Montevideo 23rd, departure 24th and arrival Port Stanley a.m. 29th December last.
Reports on discharge of vessel and loading with wool at Stanley.
Vessel inspected at Montevideo by prominent persons.
Great interest shown in Company's shipping activities.
Entertainment to lunch at Stanley of H.E. the Governor, Members of Councils and Capt. of H.M.S. "Ajax".
Favourable impression created here by vessel.
Officers - Capt. Anders relieved at Montevideo.
2nd Engineer & 1 A.B. being paid off this voyage at Montevideo.
Others Officers remaining here for further short period.
Reports on outward voyage.
13. Shipment of produce for March Sales - anticipate "Lafonia" and "Fitzroy" should lift approximately 3,400 bales to connect with "Cape York" at Montevideo 13th inst.
Space for February Shipment (May Sales) already booked.
14. Shipping Movements.
15. Future business - encloses correspondence with Messrs. J.R. Williams of Buenos Aires re shipments of grain to South Brazil.
16. Acknowledges receipt of Despatch No. 1402.
17. Through fares U.K./Port Stanley and Magallanes - letter of 27th November last from R.M. Lines to hand.
18. Post Office Radio telegrams - copy of letter dated 28th November last from Accountant General of Post Office to hand.
Statement will be submitted quarterly.
Understand Ship letter telegrams may be accepted for despatch to Portishead.

- 19. "Lafonia" Passenger liability - copies of passenger ticket will be sent you as soon as completed.
- 20. Notes Mr. Geddes is of opinion price of seal oil will rise.
Reorganisation of Sealing Company has my attention.
- 21. Advises Mr. J.M. Thomson will make round voyage to Montevideo.
- 22. New house at Long Island has been shipped out, erected and now ready for occupation.
- 23. Port San Carlos Ltd. - Mr. R.M. Cameron advises an application made to Government for loan which will satisfy our mortgage and provide working capital.
- 24. Re Para. 17 above (Through fares) - case has arisen where passengers desire to avail themselves of Tour "A".
Details fares under this head.
Fares quoted for 1st, 2nd and intermediate class only.
Requests you to enquire from R.M. Lines whether fares may be quoted for 3rd class - Tour "A".

... ..

s.s. "LAFONIA" via
Montevideo.
786.

8th January, 37.

Sir,

I arrived at Port Stanley per s.s. "Lafonia" s.s. 29th ulto.

I have to acknowledge receipt of your Despatch Nos. 1400 & 1401 dated 13th and 27th November last and to confirm my No. 785.

2. 1400. 2. 1401. 3. SEAL OIL. Certificate of origin. I note that certificate of origin Form D 119 (Sale) must be used in future.

Grading. The two samples A & B quality have been received.

3. 1400. 4. "TOYOTA" DAMAGE. I note that this is to be dealt with when the necessary repairs have been completed.

4. 1400. 6. MOTOR INSURANCE. The Royal Insurance Company is being advised re insurance of our motor lorries.

5. 1400. 7. SPANISH COVE. This lease has been renewed for a further period of 3 years. The lease is being retained here together with the lease of Tent Cove.

6. 1400. 12. F.S.N.Co., Ltd. I note that this Agency has been terminated as from 31st December and the arrangements come to with them for handling any of their vessels which may call here.

7. 1400. 13. Mr. D. Miller arrived per s.s. "Lafonia" and his Agreement is to hand.

8. 1400. 17. PASSENGER RATES 1937. With reference to your airmail letter dated 9th December, my reply dated 23rd and my cable dated 30th idem - I now enclose copies of the Circular issued to clients together with a statement showing how the rates are arrived at.

THE MANAGING DIRECTOR,

LONDON.

9. 1400. 18. GILBERTSON & Co. 2222 FUENTES, MONTIVIDEO.

I sent you a copy of the agreement arrived at between Mr. Friedli and myself for the working of this business by airmail from Montevideo. Nothing further has yet transpired.

10. 1400. 19. JAMES CLARKE. I note that his appointment as assistant to Mr. Langdon at Fitzroy has been approved.

11. 1400. 22. KYMAO FLUID PIP.

92 drums ex North Am.

1400. 23. OIL FUEL EX ADMIRALTY.

Stocks.

Instructions noted.

12. S.S. "LAFONIA" arrived at Montevideo ~~23rd~~ p.m. 23rd December, sailed p.m. 24th and arrived Port Stanley 2 a.m. 29th. Discharge was commenced that morning and completed on 4th instant. Vessel loaded about 1,200 bales then proceeded to Durin, Foxbay, San Carlos, Port San Carlos, returning to Port Stanley for mails and leaves for Montevideo on 9th idem.

Owing to the holidays, to several lighters being loaded with produce and to H.B.S. Ajax being in port, discharge was slower than I had hoped for. A considerable quantity of rough cargo has been discharged into "Pennis", all case cargo being landed ashore.

During vessel's stay at Montevideo a number of persons were invited to inspect her - amongst them being H.B.S. Minister to Uruguay, H.B.S. Consul General, Captain Lafone and representative gentlemen of the Uruguayan Government, Port and Customs Authorities and Business houses. Much interest was shown in the extension of the Company's shipping activities and the vessel was greatly admired. On 31st idem I entertained His Excellency the Governor, Members of the Executive and Legislative Councils and the Captain of H.B.S. "Ajax" to lunch on board.

Vessel has made a favourable impression here - her size, public rooms and deck space being specially commented on.

Officers. Captain Anders was relieved at Montevideo and returned by "Highland Monarch", 25th ulto.

The 2nd Engineer and an A.B. will be paid off at

Montevideo on vessel's arrival there next week. The Chief Officer, Chief and 3rd Engineers will remain for a further short period. Voyage outwards was uneventful. From Dakar to Montevideo she averaged 9.8 knots on 14 tons oil which is satisfactory in view of her deep draught.

The next two voyages to and from Montevideo will give us some idea, what we may expect as regards speed and consumption as she goes up fully loaded with wool and returns light.

13. SHIPMENT OF WOOL - MARCH SALES. In view of the large quantity of wool offering for shipment and the difficulty of getting "Lafonia" loaded in time to connect with "Cape York" at Montevideo on 13th instant I decided to load all produce ^{al-}ready in Stanley into "Lafonia" and complete at Darwin, Foxbay and the San Carloses. I estimate that she should have about 2,700 bales.

s.s. "Fitzroy" is loading at Berkeley Sound, Fitzroy, NE Lively Island, North Arm and Port Howard and proceeds direct to Montevideo from that port with about 700 bales. Both shipments will be transhipped to "Cape York" about 12th/13th instant.

I have impressed on Maclean & Starkson and Boulder Bros. Montevideo Agents how important it is that she reports in the Channel by mid February.

Space for the February shipment (May Sales) has also been booked with Boulder Brothers.

14. SHIPPING MOVEMENTS.

s.s. "Fitzroy" made two wool collecting voyages in December.

H.M.S. "Ajax" arrived on 31st ulto. and sails for South Georgia on 5th. She returns here on 19th idem and leaves for Buenos Aires on the 21st.

m.v. "Lagarto" is due here on 15th instant.

m.v. "Reina del Pacifico" is due here on 7th prox.

15. FUTURE BUSINESS. I enclose copies of correspondence exchanged with Messrs. J.B. Williams, Buenos Aires, re grain shipments to South Brazil. Nothing further has transpired re this. Ancap - Naptha Montevideo/South Brazil - negotiations are still in progress.

16. I have to acknowledge receipt of your despatch No. 1402

dated 9th ulto. (Airmail).

17. 1402. 1. Through fares U.K. Port Stanley & Magellanes.

Letter dated 27th November last from Royal Mail Lines to hand and contents noted.

18. 1402. 2. POST OFFICE RADIO TELEGRAMS. Copy of letter dated 28th November last from Accountant General of the Post Office to hand. The statement will be submitted quarterly.

SHIP LETTER TELEGRAMS TO U.K. I understand that these may be accepted for telegraphic despatch to Portishead and are posted to the addressee from there at 5/- per 20 words in clear. Please confirm. Messages were despatched direct from "Lafonia" to the Chairman via Portishead on 27th and 28th ulto. and I shall be interested to hear if they arrived safely.

19. S.S. "LAFONIA" - PASSENGER LIABILITY. Copies of the passenger ticket will be forwarded as soon as completed.

Freight rates. This has been dealt with above.

20. 1402. 4. SEAL OIL. I note that Mr. Geddes is of opinion that the price of seal oil is likely to rise.

The matter of the reorganisation of the Sealing Company is having my attention.

21. Mr. J.M. THOMPSON is making the next round voyage to Montevideo.

22. NEW HOUSE AT LONG ISLAND. This has been shipped out, erected and is now ready for occupation.

23. PORT SAN CARLOS LTD. - MORTGAGE. Mr. H.K. Cameron advises me that he has made application to Government for a loan which would be used in satisfying our mortgage and providing some working capital. He assumes that if granted the rate of interest would be 4 or 4½ and the terms would provide for yearly payments of part capital and interest, the loan to be fully satisfied in 35 years. The application will be referred to the Secretary of State for the Colonies - I do not know what recommendation Government will make but consider that it would be a dangerous precedent if they approved it.

24. With further reference to Para. 17 above a case has already

No. 786 per "Lafernia" 6/1 37. - 5 -

arisen where passengers desire to avail themselves of Tour "A", i.e. return tickets available for the voyage Home and Out by the same ship which are charged at two single fares & less 35%. We are prepared to co-operate in the issue of these by also allowing 35% off our proportion when issued in conjunction with Royal Mail Lines Tour "A" tickets. The fares would therefore be :-

<u>HOME & OUT BY THE SAME VESSEL.</u>			
	<u>R.M.L. Ppn.</u>	<u>F.I.C. Ppn.</u>	<u>Through fare.</u>
"Alcantara"			
"Asturias"			
1st class	£ 111	£ 18	(£ 129
2nd class	£ 56	Cabin class	(£ 74
"Arlanza"			
"Almanzora"			
1st class	£ 88	£ 18	(£ 106
2nd class	£ 55. 10.-	Cabin class	(£ 73. 10. -.
Highland ships.			
1st class	£ 83	£ 18	£ 101
Intermediate	£ 42.10.-.	£ 13	£ 55. 10. -.

These tickets cannot be issued from England to Port Stanley or Magallanes as the time available between the arrival at Montevideo of Royal Mail Lines vessels outward bound and the same vessel's departure homewards is not sufficient to permit of passengers proceeding to Port Stanley or Magallanes and returning to Montevideo in time to catch the specified vessel. We are booking a 1st class and an intermediate class passengers under this arrangement per "Highland Brigade" leaving Montevideo 16th April.

They will both return by the same vessel which leaves London again on 22nd May.

You will note that we have only quoted fares for 1st, 2nd and intermediate class. Please let us know if the Royal Mail Lines will issue them in 3rd class as they do in the case of Tour "A" (3 months return) tickets.

I am,

Sir,

your obedient servant,

Manager.

ENCLOSURES

1. Despatch No.786
2. Remarks on Accounts No.86.
3. Statement on accounts No.86
4. Remarks on Naval Fuel Depot No.55.
5. Store Indent No.752
6. Remarks on Stores No.752
7. Specification of "Fitzroy" Shipment 20/11/36
8. Coal Statement - November.
9. Fitzroy Inward Reports E.24. 25. & 26.
10. Falkland Islands Gazettes 1/12 & 12/12
11. P.S.N.C. Account - 31/12/36
12. Memo re 1937 produce freight rates
13. Insurance on Supplies :-
 Declaration "Fitzroy" 24/10
 " 19/11
 " 5/12
14. F.I.Shipping Report No.1/37.
15. Letter to Managing Director re "Lafonia" Pass. Cert.
16. *Coasting Insurance Note*

CORRESPONDENCE

Copy of letter to J.R.Williams & Co.
 " " " from do 21/12/36.

SPECIFICATIONS

<u>Mark</u>	<u>Wool</u>	<u>Skins</u>	<u>Tallow</u>	<u>Hides</u>
D.H.	218	106		
S	114	5		
F s		18		
J.L.W.	14	21		59
J.B.		12		56
D & S	100	9		
Triangle F.B.		11		18
L.	92	4		
J.H.D.Pebble	69	12	33	
B	39	12		
H	28			
W.P.	23	1		
Z.	119	14		
H & B	178			
F.	129	20		
S B	7 0	3		
B.B.	11	1		
McG		17		

P R E C I S.

1. Confirms No. 786 of 8/1/37 and acknowledges receipt of your Nos. 1403 (29/12/36) and 1404 (8/1/37).
2. Surplus & Hutton sheep to Magallanes - Gildermeisters have now increased their price for wethers to 1.2d lb. Have agreed to support scheme but limit our shipment to 5000. Encloses copy of letter to Colonial Secretary re quota. Butchery sheep - matter will be gone into with Dick & Bravo.
3. "Great Britain" - Government may now permit standing in Sparrow Cove.
4. Employers Liability Act being amended. Please notify Royal Inacc.Co.
5. Notes your remarks re proposed survey of Islands.
6. Freight rates on produce - Encloses copies of circulars to Clients together with statement of division of through rate as between Coastal and Overseas service. Encloses copy of letter to Mr. G.T. Dean.
7. Requests you to notify all concerned that shipment of Farm stores per "Highland Brigade", 22nd May next, will be charged no landing and reshipping charges at Stanley.
7. Acknowledges receipt of contract for bunker coal 1937 with Wilsons. Assumes the usual rebate of 1/6d per ton will be allowed.
8. Radlett Pearson Ltd. - arrangement come to noted.
9. Annual Accounts 1935 - Cabin & Smokeroom alterations & repairs a/c of "Lafonia", "Fitzroy", - details given.
10. Steamer movements.
11. My movements.
12. Mr H. Blake expected to arrive in Colony about 17th prox. Shearing finished at Darwin & North Arm. Will shortly finish at Fitzroy.
13. Taxation of hulks, lighters and floating dock - tax withdrawn in 1929 apparently without Legislative authority. Encloses my reply to Government quoting their letter to you dated 22/11/29. Have advised Colonial Secretary verbally that if Government persists in payment of tax, matter will be taken up with Colonial Office.
14. Copy of Mail Contract for 5 years from 1/1/37 enclosed.
15. Shipping. "Lafonia" - unable at present to give figures re consumption. Chief Engineer - am cabling you via "Lafonia" for a relief for present incumbent. Suggest 3 years agreement. Bookings this voyage - 18 passengers. Cargo - negotiations still in progress with Macap and J.R. Williams. "Fitzroy" will be drydocked between 2nd/5th instant.
16. Sealing license - quotes letter dated 1st ulto from Colonial Secretary. Do not propose to do anything re Government advice that fresh licence will be required for 1937 until I hear from you.
17. Work on reconditioning reservoir at Naval Fuel Depot has commenced.
18. Admiralty bunkering arrangements - matter discussed with Captain of H.M.S. "Ajax" recently. Necessary that something should be done if Admiralty require an efficient bunkering station.

PRISON (3).

19. Remittances - \$5,500 required from you at end of January on account of heavy import and export duties. May require further remittance at the end of February.
20. Parcels via Montevideo - enquiry recently received from Continental Express Ltd. asking if we would be prepared to handle and deliver cases or boxes of parcels. Encloses copy of reply to them and spare copy for J.B. Hewett & Co.
21. Requests you to enquire and cable prospects of selling 1937 catch of seal oil also price c.i.f. Montevideo of about 750 90-gallon drums.
22. Details produce being shipping by this "Lafonia".

"Lafonia" via Magallanes
and Montevideo.
787.

1st February, 37.

Sir,

I have to confirm my Despatch No. 786 dated 3th January and to acknowledge receipt of your Despatches Nos. 1403 dated 29th December last and 1404 dated 8th ulto.

2. 1403. 2. SURPLUS AND MUTTON SHEEP TO MAGALLANES.
1404. 5.

With reference to cables exchanged Messrs.

Gildersister have now increased their offer to 1½d per pound for wethers, ewes remain at 1d but they will pay the current export rate less freight Port Stanley/Magallanes for mutton passed as suitable for the English market. I understand that this rate is 2½d at present.

After discussing this matter with the Camp Manager we decided to support the scheme but to limit our shipment to 5,000.

This business provides an opportunity of having Falkland Islands mutton properly graded and if a fair proportion is found suitable for the Home market a profitable and steady market may be built up for mutton sheep for freezing without affecting the Magallanes butchery sheep business.

Enc. NOTE. I enclose copy of my letter dated 29th January to the Colonial Secretary on which Government has cabled the Secretary of State requesting a quota for this season of about 550 tons.

BUTCHERY SHEEP. I appreciate that a steady business may be built up in selling to Magallanes butchers and I am going into this with

The Managing Director,

London.

No. 737 per "Lafonia", 1/2/37.

- 2 -

Dick & Bravo but as I have stated above in view of the value that selling to freezers may hold for us and other Falkland Islands farmers I am of opinion that we should be identified with and support the project. I hope to send shipments from our Farm by "Lafonia" end February, end March; "Fitzroy" will be employed for the remainder. The quantities now promised are :-

West Falkland	...	10,000
East Falkland	...	6,500
P.I. Company	...	<u>5,000</u>
		21,500

3. 1403. 3. "EMERALD BRITAIN". Government may now permit us to strand this hulk in Sparrow Cove in which case I shall endeavour to get this done in the near future.

4. EMPLOYERS LIABILITY ACT. The Act as it stands will not be enforced but will be amended. Will you kindly advise the Royal Insurance Company accordingly.

5. 1403. 9. PROPOSED SURVEY OF ISLANDS. I note your remarks and thank you for copy of letter addressed to the Colonial Office dated 26th March, 1920 which is having my attention.

6. 1403. 10. FREIGHT RATES ON PRODUCE. Messrs. Dick & Bravo 1404. 4. advise me that the rate of freight Magallanes/London is 105/- and not 102/6 per ton of 1,000 kilos (plus 15/- less 7/6d + 15/-). The freight circular first issued by me did not agree in small details with that issued by you dated 6th inst. I have therefore cancelled my first circular and issued another dated 25th idem. Copies enclosed.

Enc. I enclose a statement showing how the through rate should be divided as between the Coastal and Overseas service.

Enc. Mr. G. DEAN. I enclose copy of my letter dated 22nd inst. detailing the offer made to him. He will reply after he has consulted Mr. Barton.

Please notify all concerned that Farm stores shipped per "Highland Brigade" sailing from London, 2nd May next will not be charged any landing &/or reshipping charges at Stanley.

Stanley storage and reshipping charges on cargo outwards via Montevideo have been fixed at 15/- per ton weight/measurement - it remains at 25/- for cargo received by other vessels. The expenses

No. 787 per "Lafonia", 1/2/37. - 3 -

incurred in handling cargo ex our own vessels are considerably less than when handling cargo ex P.S.K. vessels.

7. 1403. 12. WILSON BROS & Co. LTD. Contract for bunker coal for 1937 received. I note that the rate is 37/- f.o.b. Montevideo and assume that the usual rebate of 1/6d per ton will be paid.

8. 1404. 13. RAILWAY PENSION LTD., LONDON. The arrangement come to is noted.

9. 1404. 6. ANNUAL ACCOUNTS 1935. With reference to the item r.s. "Lafonia" "Fitzroy" account Cabin and Smokeroom alterations and repairs this is divided up thus -

Alterations	...	£ 208. 14. 5.
Repairs	...	46. 8. 4.

10. STEAMER MOVEMENTS.

H.M.S. "Ajax" left for South Georgia on 8th January. She arrived back on 20th and sailed for Buenos Aires on 21st idem. During the return voyage from South Georgia she was diverted to King George Island, South Shetlands to help search for a survey party ex "Discovery II" which was overdue. They were found - all well.

M.V. "Lagarto" arrived a.m. and sailed p.m. on 19th ulto.

M.V. "Port Adelaide". This vessel, en route New Zealand/U.K., called in on 29th ulto. to land 3 passengers only - Government servants. No agents were appointed here. Would you enquire with the Commonwealth and Dominion Line if they have modified their views re calling at Stanley in any way. You will recollect that Shaw Savill & Albion required a freight of £700 to make a call with sheep in 1935.

S.S. "Lafonia" sailed for Montevideo on 9th and arrived back on 21st January. She sailed for East Falkland and Falkland Sound ports on 26th and leaves for Montevideo via Magallanes on 2nd instant.

S.S. "Fitzroy" left San Carlos for Montevideo on 8th and arrived back on 19th ulto. She then made a voyage to Company's Stations and is now on voyage around West Falklands. She will be used for the "Cruza del Pacifico".

11. MY MOVEMENTS. I have not yet been able to visit Darwin but hope to go out on 2nd instant for a few days. If possible I hope to pay a short visit to Magallanes at the end of February in

No. 787 per "Lafonia", 2/2/37. - 4 -

connection with our shipping and sale of sheep.

12. Mr. A. BLAKE is expected to arrive in the Colony by s.s. "Lafonia", about 17th prox.

Shearing has finished at Darwin and North Arm and will shortly finish at Piteroy.

13. TAXATION OF HULKS, LIGHTERS AND THE FLOATING DOCK.

You will recollect that the tax imposed on hulks, lighters and floating docks in 1929 was withdrawn by Government vide their letter to you No. C/9/29 dated 22nd November, 1929. Apparently this was not given Legislative authority and instead of adjusting the matter internally as Government doubtless have the power to do they have asked us to make any representation we may wish to make before they demand payment of the unpaid fees for the past six years for hulks etc. and five years for the floating dock.

Enc. The total amount due would be about £ 300. In replying (copy enclosed) I have only quoted the letter referred to above as from our point of view there is nothing more to be said.

In a recent conversation with the Colonial Secretary I informed him that if Government persists in their demand the matter will be taken up with the Colonial Office.

It is a sorry example of Government morality - the obvious course was to put themselves right without reference to us. Even if this matter goes no further it is not unlikely that Government will impose fresh taxation on craft using the harbour in which case I should only retain here the bare minimum and remove other lighters etc. to Darwin.

Enc. 14. MAIL CONTRACT - FIVE YEARS FROM 1st JANUARY, 1937. has now been completed and a copy is enclosed herewith for your information.

15. SHIPPING. s.s. "Lafonia", I am not yet in a position to give you any definite figures re consumption. There appears to be an error in the calibration of the tanks - please enquire with Mr. Kennaugh if the tanks were actually measured or if their capacity has been calculated from a blue print. Mr. Thomson estimates that on vessel's last round voyage to Montevideo she averaged 10.5 knots on 14.2 tons per day which if correct is satisfactory. The voyage

No. 787 per "Lafofia", 1/2/37. - 5 -

to Montevideo took 3 days 16 1/2 hours.

Chief Engineer. I am cabling you via "Lafofia" for a Chief Engineer who will be required to relieve the present Chief Engineer about April next. I am aware that they are not easy to secure but if necessary we shall have to increase the pay. I also suggest a three years agreement - 5 years is a long time for an elderly man who has no home here and spends his whole time on board.

Bookings - passengers, sailing 2nd instant from Stanley -

Stanley to Montevideo ... 2
Magallanes to Montevideo... 16

Cargo. Negotiations are still going on with Ancap and J.R. Williams & Co.

S.S. Fitzroy will be drydocked for bottom painting between 2nd/3th instant.

16. SEALING LICENSE. I quote below letter No. 350/33 dated 1st ulto. from the Colonial Secretary on the matter of sealing licenses -

"I am directed to refer to Mr. Young's letter of 31st October, 1935 on the subject of the effect of the omission from the Seal Fishery Ordinance of 1921 of Section 4 of the Seal Fishery Ordinance of 1899 and to Mr. Craigie Halkett's reply of the 8th June, 1934 stating that your company would be recognized as being entitled to a sealing license with payment of a fee and without entering into a bond.

Mr. Young in his letter referred to above assumed that the license required by law would be issued not only free but without restriction. I am to point out that both in the repealed Ordinance of 1899 and in the law now in force provision is made for restrictions in the terms of any license issued.

"I am to inform you that the period of license issued to your company on the 6th of November, 1935, will be terminated on the 31st December this year and that a fresh license will be issued free from payment or bond at any time thereafter on your application."

In view of the final paragraph of your 1392. 2. -

"From the Colonial Secretary a letter of 6th November, 1935 enclosing a license granted under Section 5 of Seal Ordinance 1921. It would appear that a technical error was made in applying to the Government for a license. The Privy Council decision of 23rd July, 1864, clearly stated that the F.I.C. had under the original Grant the right to kill and capture all that was feræ naturæ to the land and it is therefore not within the power of the Government to restrict or control the company in the matter."

I do not propose to do anything re Government advice that a fresh license will be required for 1937 until I hear from you. I am in accordance with your views but our lawyers' views in writing would assist me in handling this matter with Government.

17. RESERVOIR - NAVAL FUEL DEPOT. Work on reconditioning this reservoir has been commenced.

18. AN IDEAL BUNKERING STATION. Whilst H.M.S. "Ajax" was here I discussed this matter with the Captain and impressed on him that it was very necessary something definite should be done in the near future if the Admiralty consider that they require an efficient bunkering station here capable of bunkering any size vessel expeditiously. For the immediate future I consider that another 500 ton barge should be stationed herewithout delay and "O.C.32" kept going if possible until the Admiralty could send a second lighter. We could handle these comfortably with "Hoydur" if it was necessary to bunker vessels in Port William and could probably deliver alongside not less than 1,500 tons and possibly 2,000 tons per 24 hours. In view of the condition of Aux.vessel "Port Edgar" the project of converting ^{it} a self propelled oil barge is not a practical proposition.

19. REMITTANCE. I required £5,500 from you at the end of January on account of heavy payments to Government for wool and import taxes. I may require a further remittance at the end of February for wool tax.

20. PARCELS. You are aware of the high charges on parcels posted via Montevideo as compared with the direct route. Government have been endeavouring to get these reduced but without success.

The Continental Express Ltd., Manchester, recently enquired whether we should be prepared to take delivery of cases or bales shipped out to us as cargo and deliver the contents to various addresses. They are presumably enquiring on behalf of a Mail Order House but the proposal is on such the same lines as I discussed with Messrs. J.D.Hewett in 1935.

I enclose copy of my reply to them dated 29th ulto. also spare copy for Messrs. J.D.Hewett & Co. who will doubtless be interested.

It is not to the interest of our Store Department to assist the mail order business but in view of our other interests I am of opinion that it will do us no harm to give such assistance as we can in ameliorating a state of affairs which is an outcome of our routing

all our cargo via Montevideo and which the general public fully realises. We shall of course benefit to a certain extent insofar as parcels so shipped will pay freight whereas if they had been posted they would have been carried as postal matter.

If these proposals are put into effect Messrs. J.B.Hewett & Co. might reconsider the matter with a view to casing and shipping parcels delivered to them in London.

21. SEALING. DRUMS 90 GALLONS. On receipt of this please enquire and cable us prospects of selling the 1957 catch - say 5/400 tons. About 750 90-gallon drums will be required - please enquire and cable us a price c.i.f. Montevideo. You might also enquire from the firm which offered us new drums ex Antwerp.

22. PRODUCE PER "INFANIA" this voyage is as follows :-
2,103 bales wool and 14 bales sheepskins.

I am,

Sir,

your obedient servant,

Manager.

ENCLOSURES.

1. Despatch No. 787
2. Statement on Accounts No. 37
3. Remarks on Accounts No. 37
4. Store Indent No. 754
5. Remarks on Stores No. 754
6. Remarks on Naval Fuel Depot No. 56
7. Coasting Insurances - Dec:
8. F.I. Gazette 2/1/37
9. F.I. Shipping Reports 2/37 & 3/37
10. R.M.L. account - 20/1/37
11. Copy of Mail Contract - 1/1/37
12. "Lafonia" Itinerary to 21st April
13. "Fitzroy" " " 14th February
14. Coal Statement - January
15. Camp Wages Sheets - December Qr. - All sections.

CORRESPONDENCE

Memo to Managing Director 20/1/37 re shearing Returns
" " " 1/2/37 re Radeett Pension Agency
" " " " acknowledging receipt of your Airmail letter 11/12/36
Letter " " " re purchase a/c H.E. The Governor
Copies (2) of letter 29/1/37 to Continental Express Ltd re parcels
Copy of letter to Colonial Secretary 29/1/37 re Tax on Hulks, lighters and dock
" " " G.T. Dean re freights
" " " Colonial Secretary 28/1/37 re sale of surplus sheep to Magallanes.

SPECIFICATIONS

Mark	Wool
D.H.	330
N.A.	152
S.	80
Triangle F.B.	40.

"LAFONIA" via Montevideo.

23rd February, 37.

789.

Sir,

I beg to enclose the Annual Accounts for 1936 showing a profit of £36,568. 12. 8. as compared with £25,365. 13. 11. for 1935. The increase of £11,202. 18. 9. is attributable to the better prices realised for produce sold in 1935.

2. <u>FARM</u> . Produce realised - 1935	...	£ 40,997. 6. 6.
1936	...	<u>£ 56,458. 16. 8.</u>
Increase		<u>£ 15,461. 10. 2.</u>

The value of lambs shipped from Speedwell Island to Darwin and North Arm @ 6/8d per head has been credited to Speedwell Island and debited to the other Sections as usual.

3. LIGHTERAGE & HULKAGE ACCOUNT. Wages have decreased by £115. 7. 8. but Deliveries, Government Fees and Insurance each show an increase of £66. 4. 8., £5. 2. 3. and £30. 19. 7. respectively.

Docking of "Kelp" and 2 lighters accounts for an increase of £110. Hulk hire is down by £175. -. 10. and s.s. "Fitzroy" has been charged £100 only for use of jetties, gear etc.

During the present year it is proposed to group together vessel's trading account, Lighterage & Hulkage account and Passages Account as these accounts are now more closely inter-related than heretofore.

4. SMITHY shows a decrease in profit of £19. 4. 10. It is necessary to maintain this Department for our own requirements. I see no likelihood of it showing any material improvement.

LAGING DIRECTOR,
LONDON.

5. NAVAL FUEL DEPOT shows a decrease of £256. 2. -. No oil was issued during 1936 and no work of any importance was undertaken.

6. GARDEN. Loss £122. 9. 7. The bulk of the produce was supplied to s.s. "Fitzroy" as usual.

7. STANLEY BUTCHERY & CO. Increase £475. 19. 10. due to increased sales of beef and improved prices realised for sheepskins.

Sheep killed 1936 2,952.

Button sold, pounds 120,081.

8. PASSAGES (R.M. LINES). Commission earned shows an increase of £31. 12. 4.

9. FLOATING DOCK & ENGINEERING & CO. Increase £872. 15. 5. mainly due to overhaul of "Port Edgar".

10. GENERAL CHARGES. Increase £116. 18. 4. chiefly accounted for by the debit for the additional 55% contributed to the Stanley Employees Provident Fund paid consequent on the declaration of a 6½% dividend in June 1936 also the minimum contribution of 10% due at 31st December, 1936 being put through this account.

11. BUILDINGS. Increased expenditure is due to the continuation of the repairing of the Marmont Row property and the provision of extra accommodation for this office.

12. STORES - Stanley. Decrease £1,680. 11. 9. Turnover increased by £2,068. 9. 11. As the 1935 profit was abnormal due to the disposal of stocks in that year which had been drastically written down in previous years, the 1936 profit should be compared with 1934 which shows an increase of £120. 11. 5.

The price of goods purchased in South America rose continuously during 1936. When prices were low we made a good profit on certain lines and could still sell at exceptionally low prices. As prices rose it was not thought advisable to maintain the same percentage otherwise sales would have been much reduced. The principal items are onions, butter, tinned ham, bacon, coffee. Exchange on Montevideo was £10.80 = £1 ... December 1935.

£ 8.98 = £1 ... December 1936.

The Millinery Department showed a profit of £585. 13. 10. decrease £207. 11. 8.

707

No. 789 per "Lafonia" 23/2/37. - 3 -

Farm Stores. Darwin £671. 16. 2.

North Arm £ 258. 1. 4.

Speedwell Is. £ 19. 2. 3.

Fitzroy &
Port Louis £ 211. 12. 2.

Closing stocks show a decrease of £8,912. 12. 3. due to small imports towards the end of 1936 in anticipation of the big shipment to arrive per s.s. "Lafonia".

I regret to inform you that after the accounts had been completed it was noted that Fitzroy stock sheets had been extended at the selling and not at the cost price. This reduces Fitzroy & Port Louis Store profit to £29. 16. 10. and the balance of Profit & Loss account to £36,386. 17. 4. These amendments have not been made as the accounts had been completed. In view of the unsatisfactory position of the Fitzroy Store account I am sending someone out to take stock and report on the position there.

13. NEW SHIP HOTEL. £8. 10. 6. The running of this Hotel departmentally only commenced in June last and it has taken a certain amount of shaking down.

The Store department charge liquors supplied at their usual selling rate, not cost plus 10% as to other Departments so therefore makes its usual profit on such sales..

14. "ROYDUR" - debit balance chiefly due to cost of repairs &c.

15. 1937. I anticipate that Stanley wages will slightly increase as additional men have been taken on for work on the Naval Fuel Depot reservoir.

Deliveries. I do not expect there will be any material alterations.

Salaries & Wages paid to all Company's employees in the Colony thus -

1934	...	£33,841. 14. 10.
1935	...	£34,367. 16. -.
1936	...	£33,721. 19. 7.

I am,
Sir,
your obedient servant,

Manager.

COMPARATIVE STATEMENT 1935 & 1936

	DEBITS	CREDITS	DEBITS	CREDITS	INCREASE	DECREASE
FLOATING DOCK	606. 17. 1.					
BUILDINGS	2,705. 16. 9.		3,081. 6. 2.		265. 18. 4.	
GENERAL CHARGES	637. 10. 7.		754. 8. 11.		872. 15. 5.	
BUTCHERY		38. 12. 6.				375. 9. 5.
GARDEN	86. 12. 4.		122. 9. 7.	514. 12. 4.	475. 19. 10.	116. 18. 4.
FARM, SPEEDWELL ISLAND.	183. 6. 5.			1,040. 18. 3.	1,224. 4. 8.	35. 17. 3.
STORE, SPEEDWELL ISLAND.		21. 11. 7.		19. 2. 3.		
SUNDRY DEBTORS	26. 16. -.		11. 8. 9.			2. 9. 4.
FARM, DARWIN.		7,474. 2. 5.		12,213. 5. -.	15. 7. 3.	
FARM, NORTH ARM.		4,070. 1. 3.		9,318. 1. -.	4,739. 2. 7.	
FARM, FITZROY.		2,773. 19. 11.		5,647. 13. 1.	5,247. 19. 9.	
SMITHY.		36. 11. 2.		17. 6. 4.	2,873. 13. 2.	
STORE, STANLEY.		10,518. 13. 9.		8,838. 2. -.		19. 4. 10.
STORE, DARWIN.		523. 11. 3.		671. 16. 2.	148. 4. 11.	1,680. 11. 9.
STORE, NORTH ARM.		256. 13. 3.		256. 1. 4.	1. 8. 1.	
STORE, FITZROY.		113. 16. 2.		211. 12. 2.	97. 16. -.	
PACIFIC AGENCY.		339. 19. 10.		290. 15. 6.		49. 4. 4.
INSURANCE.		102. 7. 7.		105. -. 6.	2. 12. 11.	
INTEREST & COMMISSION.		1,094. 3. 2.		981. 9. 4.		112. 13. 10.
CONSULATES & AGENCIES.		178. 1. 11.		99. 4. 3.		78. 17. 8.
NAVAL FUEL DEPOT.		526. 9. 11.		270. 7. 11.		256. 2. -.
PASSAGES (ROYAL MAIL AGENCY).		144. 2. 8.		140. 15. -.		3. 7. 8.
RENT.		419. 15. -.		419. 10. -.		5. -.
LIGHTERAGE, HULKAGE ETC.		979. 19. 9.		65. 6. 3.		914. 13. 6.
NEW SHIP HOTEL.			8. 10. 6.			8. 10. 6.
"BOYDUR".			842. -. 5.			842. -. 5.
	4,246. 19. 2.	29,612. 13. 1.	4,820. 4. 4.	41,388. 17. -.	15,699. 4. 7.	4,496. 5. 10.
		25,365. 13. 11.		36,568. 12. 8.		11,202. 18. 9.

Stanley,

Falkland Islands,

31st December, 1936.

Manager.

"Lafonia".

27th February, 1937. (37)

788 (Shipping supplement).

Sir,

SHIP'S MOVEMENTS.


"LAFONIA" left 8 a.m. 19th February for Fox Bay, Magallanes, Port Howard and Stanley. She left Magallanes 12.30 p.m. 25th and should arrive at Stanley tonight or tomorrow morning, time according to whether she calls at Port San Carlos for 100 bales. She takes to Montevideo 4 passengers from Magallanes and 17 from Stanley.

"FITROY" left Stanley 5.30 a.m. 25th instant with "Port Edgar" in tow for Speedwell I, the latter carrying 100 tons each of coal and patent fuel. She made Seal Cove at 5 p.m. 25th, having met strong head-winds, and continued the tow during afternoon and night 26th/27th. Having completed this, she is due back at Goose Green at 9 p.m., 27th, to load the first lot of sheep for Magallanes. The "Port Edgar" will be used as a coaling depot-ship during the further voyages sheep-shipping, as cabled you on 25th February.

"BOYDUR" has been put into commission under Captain G. Osborne at the Camp Manager's disposal for sheep moving in the Company's Camp. She sails for Darwin on Monday, 1st March. The coast lighter "Harriss", (No 2.) will be used in conjunction, as noted in para. 9 of Despatch 788.

Yours faithfully,

The Managing Director,
LONDON.


for Manager.

Despatch No. 788 per s.s. "Lafonia" via Montevideo 28th February, 1937.

ENCLOSURES

1. Despatch No. 788
2. Remarks on Accounts No.88
3. Statement on Accounts No.88
4. Store Indent No.756
5. Remarks on Stores No. 756
6. Store Indent No.755 (Original by Airmail)
7. Remarks on Stores No.755 do
8. Wages Comparative Statement No.20.
9. F.I.Shipping Report 4/37
10. Coasting Insurances @ January
11. F.I.Gazette 1/2/37.
12. "Fitzroy" Inward Reports, Voyages E.27 F1/4
13. "Lafonia" Radio Account
14. Lively Island Quarterly returns - March 1936
15. do December 1936.

CORRESPONDENCE

Letter to Colonial Secretary - 5/2/37 re scale of charges for deviation of Company's vessels.

Letter from Private Secretary 5/2/37 acknowledging receipt of Board of Directors message of congratulations

SPECIFICATIONS

MARK	Wool	Skins	Tallow	Hides
D.H.	8	72		
F.I.C S.I.	84			
B.I.	34	2		
S	82			
Heart	73			
L.	136	4		
H & B	118	9		21
'Z	135	2		
J.H.D.Pebble	44	3		
D & S	144			
S Club B	99	2		
F	68			
W.P	32			
J.H.G.I.	98			
T.R.	45			
H	17			
R.B.C.	46	2		
Triangle F.B.	40			
J.L.W.	92			3
J.B.L.	37	4		

No. 788 per "Lafonia" via Montevideo, 22/2/37.

P R E C I S E

1. Confirms No. 787 and acknowledges receipt of your Nos. 1406/7.
2. Notes all you write re shipment of produce. Asks to what extent is additional insurance set off by saving in freight.
3. Seal oil - notes rise in price. Am of opinion Sealing Company should sell production ahead.
4. Notes Crown Agents will probably ship fireworks per "H. Chieftain".
5. Gossar wireless receiver giving satisfactory results. Additional order follows.
6. Europe/South Pacific & Magellan Conference - correspondence received.
7. s.s. "Lafonia" - Messrs. Kennaugh's Report & Survey and blue prints to hand.
8. Advises appointment of Mr T.W. Campbell as Chief Storekeeper as from 1st prox.
9. Steamer movements.
10. Sheep to Magallanes - "Pitroy" leaves 24th inst with 5,600 ex Darwin. Airmail letter will be addressed to you from Magallanes re this business.
11. Reports sailing of Mr. Young for Magallanes per "Lafonia" 17th inst. Due back 28th idem.
12. Advises arrival of Mr. R. Blake per "Reina del Pacifico" 7th inst. and intended departure per "Lafonia" 5th April next.
13. Sir R. Henniker Heaton, K.C.B.C., - acknowledges receipt of your telegram and encloses copy of his acknowledgement.
14. Sheep shifting - Fara. "Rogdur" will commence this work shortly. Cable will be sent you re insurance of vessel and of Coast lighter.
15. Advises produce shipped per "Lafonia", 18th inst.

... ..

9. MOVEMENTS OF VESSELS.

"Fitzroy" was drydocked for bottom painting and inspection on 3rd and was undocked on 5th instant.

She attended "Reina del Pacifico" on 7th instant. Earnings were £ 94. 3. -. During the day she handled more than 550 passengers. When going alongside "Reina del Pacifico" at 8.15 a.m. the port anchor fouled "Reina del Pacifico's" side plating. The stock of "Fitzroy's" anchor pressed on the east ~~side~~ outside hawse pipe cracking it. It will be repaired at the first ^{possible} opportunity.

Extract from s.s. "Fitzroy's" Log, Note of Protest and letter from Captain of "Reina del Pacifico" noting damage to his vessel enclosed.

Enc.

On 8th instant "Fitzroy" proceeded to Darwin towing a Coast lighter loaded with 60 tons coal. This lighter will be used for sheep shifting. I did not cable you re the tow as the weather was fine and settled. "Fitzroy" also called at Walker Creek to land a party of Volunteers who have spent 8 days training. They were permitted to utilise Walker Creek cookhouse. She then proceeded to Salvador Waters, West Falkland and Company's ports returning on 16th idem. She is now getting ready to commence sheep shifting.

s.s. "Lafonia" left for Magallanes on 2nd February, she got 23 passengers at Magallanes for Montevideo and made the passage in 4 days 20 hours. She arrived Stanley on 17th and sailed for Magallanes 18th idem.

Deviation. I have fixed a scale for deviation, copy of which is enclosed.

Enc.

10. SHEEP TO MAGALLANES. s.s. "Fitzroy" leaves about 25th inst. with 5/600 sheep ex Darwin for Tres Puentes. She will be fitted out there and will then carry out the sheep shifting programme in accordance with Messrs. Gildermeister's requirements. I will write you at length re this business from Magallanes by air mail.

11. I am leaving by s.s. "Lafonia" for Magallanes on 18th February and am due back 28th idem.

715
No. 786 per "Lafonia", 22/2/30.

12. Mr. R. B. M. M. arrived per "Reina del Pacifico" and leaves by "Lafonia" sailing 5th April next.

Mr. & Mrs. G. Goddard also leave by that opportunity.

13. SIR HERBERT HENRIER HEARN, F.C.S.O. I duly conveyed the contents of your telegram dated 3rd instant and enclose his acknowledgement dated 5th idem.

14. SHIP CHIPPING - FERN. s.s. "Roydur" is shortly going out to commence this work and I am cabling you re insurance on her and on the Coast lighter.

15. PRODUCE being shipped by "Lafonia" today (16th inst) is 600 bales wool, 19 bales skins, 19 hides. This will therefore travel Port Stanley/Magallanes/Port Stanley/Montevidéo but it has been loaded now to save Sunday work on 18th inst. when "Lafonia" will probably only have a short time in Stanley.

I am,

Sir,

your obedient servant,

Manager.

Original by Air Mail
via Montevideo.

The Falkland Islands Company, Ltd,
Manager's Office, Stanley,
23rd March, 1937.

The Managing Director, LONDON.

Sir,

The following points occur to us in anticipation of increased shipments of Clients' and Outsiders' transit cargo via Montevideo:-

(1) It would assist us if you would send two separate "Pro forma" "list of cargo per...", one showing only all cargo actually charged to Store in the General Invoice (irrespective of whether it is apparent from marks etc. that some of these packages are for Clients ultimately), and one showing the cargo "Charged to Clients direct" or purchased by Clients or Outsiders and shipped by you. This will make it at once clear to us what freights, Montevideo/Stamley, are to be collected from consignees by the Shipping Department, leaving the Store to make up its own a/cs for Clients' or private packages charged to it in the General Invoice.

(2) Measurements/weights of "Outsiders'" cargo (e.g. Williams Estate, Hutchinson, Binnie, etc, and any Clients' goods not shipped by you). It is essential that we receive measurement slips, or copies of the B/Lading showing tonnage of such cargo by the same vessel as the goods arrive by. In the case of 3 packages for "Outsiders" per "Highland Chieftain 13th February (Dettleff 2 crates; Binnie 1 case) we received the measurements in a letter from Messrs Hewett dated 12th February, but does it follow that in cases of heavier shipments they will be able to follow the same procedure?

If not, we suggest they should be asked to forward documents showing Wt/Meast of such cargo by Air Mail in the same way as they send ours.

(3) Government Cargo. The same necessity applies to Government cargo. Hitherto we have received no weights or measurements of their cargo sent by this route, and have had no option but to ask the Government for their figures and accept them. We understand this cargo is shipped by the Crown Agents and we suggest you ask them to make some arrangement whereby we are put in possession, by the same vessel as the goods arrive, of the information necessary to make up our accounts to Government for the Montevideo/Stamley portion of the freight.

(4) It would be preferable if all freights, Montevideo to Stanley, were collected at this end, and we suggest that shippers should be discouraged if possible from paying through-freight. In the case of "Alcantara" 22nd January Messrs Hewett collected 4s 7d freight, Montevideo/Stamley on a case from Clarke & Cresswell, deducting the amount from their Freight A/c of 27th January. In the case of Dettleff and Binnie - "H.Chieftain" mentioned above - Messrs Hewett say that through-freight has been paid in London and that they are sending us a credit-note later for the portion Montevideo/Stamley.

These are only petty instances, but with larger shipments you will appreciate the need for putting these matters on a fixed basis as soon as possible, otherwise the accountancy (with the additional work of compiling statistics for the freight "rebates") is likely to become involved.

Yours faithfully,


Manager.

2nd mail

1. Despatch No.791
2. Statement on Accounts No.190
3. Remarks on Accounts No.90
4. Store Indent No.758
5. Remarks on Stores No.758
6. Inward Reports - "Roydur" - Voyages R.2/3
7. Coasting Insurances - March
8. Wages Comparative Statement No.21 - 31/3/37
9. F.I.Gazette - 1/4/37
10. Royal Mail Lines Account dated 25/4/37
11. Quarterly Wages Sheets - Farm - All sections - Jan/March
12. Wages Statement fro Ships
13. Copies of Store Stock Sheets
14. Photos
15. Memo for Managing Director re Passenger Tickets, Bills of Lading
16. " re codes
17. " " Produce from Magallanes to U.K.
18. Envelope addressed to Mrs H.J.Pitaluga
19. " " E.B.Coddard Esq.
20. F.I.Shipping Report No.6/37
21. "Lafonia" Radio Account.

SPECIFICATIONS

Mark	Wool	Skins	Tallow	Hides
F.	13	2		
F s		8	2	
H & B	2	2		
Heart	87			
J.H.D. J.	15			
J.H.D. Pebble	50			
N.A.	75			

No. 790 per "Lafonia" via Montevideo, 3rd April, 1937.

P R E C I S

1. Acknowledges receipt of your No. 1408 and confirms Nos. 788 & 789.
2. Freight rates 1937 - see 787. 6.
3. Surplus sheep - Gildermeister - agreement with Mr. Friedli was one as to price and shipment only. Matter will be dealt with at length later.
4. S.S. "Lafonia" speed and consumption - Mr. J.M. Thomson has been acting as Chief Engineer since 28th February last. He should be relieved about 23rd inst. when above particulars will be available.
5. New house at Long Island capitalised at £350.
6. Port San Carlos Ltd. - mortgage - quotes my views on Mr. Cameron's application to Government for a loan and on the suggestion that the terms and conditions of the mortgage are onerous.
7. Notes that you have secured sole agency for Consor wireless sets.
8. Requests you to raise the question of fuelling ships other than H.M. ships, with the Admiralty. Remuneration for fuelling "Discovery II" recently insufficient to cover our expenses. Suggests an overhead charge of £5 be asked for in addition to 1/- per ton for delivery.
9. Acknowledges receipt of your telegram of 18th ulto. re application for license to seal.
10. Quotes an extract from "Penguin" 23/3/37 regarding a Free Grant from Colonial Development Fund towards improvement of pastures of the Colony.
11. Government electric light plant being extended to 24-hour service. Propose to use this supply for store and send our plant to Darwin.
12. Advises grant of leave to Mr. H.G. Creece earlier than due as Mr. L.F. Hodgson's contract expires early next year. Mr Creece sails 26th instant and should return by "Asturias" October sailing.
13. Application for renewal of lease of West Cove applied for.
14. Reports confirmation of Mr. Honeyman in his post as Bookkeeper, Storekeeper and Camp Teacher at Darwin at salary of £250 p.a. rising by £15 p.a. Have agreed to pay for his wife's passage to U.K. intermediate class when ~~appropriate~~ time comes.
15. Enquiry received from Mr. V.J. Hutchinson re lease of Motley Island to him. Mr G. Goddard will discuss this matter with you.
16. Encloses copies of circulars re fund which is being raised for 'King George V. Playing Fields for Children' and asks if Board will contribute thereto. Understand Secretary would like to acquire Harcourt Row paddock to which I am not agreeable. Unoccupied plot behind Stanley House not likely to be required by us.
17. Acknowledges receipt of your Despatch No. 1409 by airmail.
18. A.J. Pitt - requests you to enquire from Capt. Thompson how rate of £22 per month is arrived at. As "Fitzroy" trades within Home Trade limits of Colony am of opinion that scale on page 5 of National Maritime Board's 1937 year book applies.

19. P.I. & D. Sealing Co. Ltd. - Mr. Watson proceeded to England in March. Position has doubtless been discussed with him. Catch 1957 - notes sale of 400 tons. Empty drums - shipment per "Lafonia" due this month. Am going into matter of shipping oil in bulk. Reorganisation - am awaiting Mr. Watson's return. Plant at Prince Olaf Station sold to Salvesens together with coal and coke. Requests you to approach Salvesens re purchase price of this fuel. Catcher "Charcot", built 1923, for sale and could probably be secured for \$600.
20. Hoops - 95" suitable.
21. Bagging - am cabling for supply of bagging and woolpacks.
22. Encloses copies of Certificates of Registry for "Port Richard" and "Ryder". Those for "Lafonia" and "Fitzroy" to follow.
23. Repairs to reservoir at Naval Depot almost completed. Await Admiralty reply re guttering and leads from tanks.
24. Advises that Government is ordering a seaplane speedboat to replace launch "Penguin". Vessel to be used for harbour work and emergency calls. Outlines scheme for provision of free cows milk to school children and prohibited import of condensed milk and butter, as sponsored by late Principal Medical Officer and Agricultural Adviser. This scheme may be modified.
25. Encloses copy of a booklet in Spanish issued by Argentine Government re "Argentina and the Falkland Islands".
26. Wool prices at March sales satisfactory. Trusts market will continue firm.
27. Advises that parcels must now be posted 'via Montevideo'.
28. Sheep - Gildemeister & Co. - further deposit should be made with you shortly. After fitting out at Magallanes "Fitzroy" now able to carry 2,900 sheep. Coal - 800 tons purchased @ \$1 + \$75 Chile. Insurance of freight - confirms cable of 20th ulto. Reports on first two shipments. The obtaining of a quota has given rise to much talk from Vestey's and Boulders representatives in Magallanes. Requests you to enquire with Board of Trade if we could export to U.K. "entry free". Satisfactory report received on first shipment ex Darwin.
29. Regrets to report death of Mr W.J. Maclean of Buenos Aires. Have agreed to remunerate Maclean & Stapledon for passage and freight secured for us.
30. Remittances - \$1,000 required at end of February. Large amount will probably be required at end of April due to number of visitors to Stanley for Coronation.
31. Mr. G. Goddard will discuss the matter of fencing of boundary along Wickham Heights.
32. Comparisons of costs of new Doctor's House at Darwin being gone into. Will revert to this matter later.
33. Regrets to note death of Mrs. J.A.A. Cobb on 8th ulto. Advises my visit to Lively Island on 15th idem. Detailed valuation of Station follows.

no. 790 per "Lafonia" 3/11/37. PROCEED. - 3 -

34. My movements - left Stanley 15th ulto. for Lively Island and Darwin. Propose to visit Buenos Aires and South Brazil at end of May.
35. Shipping - Encloses copy of circular re shipment of Glionta cargo. Encloses two copies of "Lafonia" itinerary to 22nd December next. Advises "Roydur" sheepshifting for Yarn from 1st to 12th March together with lighter "Terriss". Latter now stationed at Goose Green. Reports on sheepshifting by "Witzroy" to Magallanes. "Lafonia" - reports on voyages A.B. 5 - 7. Sundry freight bookings. Officers. Engineers. Wireless Operator. Report on Echo sounding machine will be made shortly.
36. Requests you to purchase and ship out a new Ford lorry for stores.

... ..

"LAPONIA" via Montevideo.

3rd April,

37.

790.

Sir,

I have to acknowledge receipt of your despatch No. 1406 dated 12th February last and to confirm my Nos. 788 and 789 dated 22nd and 23rd February respectively.

2. 1408. 3. FREIGHT RATES 1937. This was dealt with in my 787. 6.

3. 1408. 4. SURPLUS SHEEP - GILDERHINTER. The agreement come to with Mr. Friedli was one as to price and shipment only. We are not bound in any way to supply the quantity indicated. I am dealing with this matter at length later.

4. 1408. 4A. S.S. "LAPONIA" - SPEED AND CONSUMPTION.

Mr. J.H. Thomson has been acting as Chief Engineer since 26th February - he should be relieved about 23rd April after which date I hope to have these particulars available. Vessel has been making good passages and her best day's run so far is 280 miles.

5. 1408. 9. NEW HOUSE, LONG ISLAND. This was capitalised at £ 350.

6. 1408. 10. PORT SAN CARLOS LTD. - MORTGAGE. This matter came to me as a member of the Executive Council for an expression of my views. In view of the far reaching consequences Government's proposals would bring about if given effect to I have expressed my views at length. I requested permission to send you a copy of my memorandum, which was granted.

In view of the suggestion made that the terms and conditions of the mortgage granted by my Company to Port San Carlos are onerous I have endeavoured to express my views on that matter and on Mr. Cameron's application to Government for a loan firstly as Colonial Manager of The Falkland Islands Co. Ltd. and secondly as a member of the Executive Council.

THOMAS L. DICKSON,
LONDON.

" 2. It is opportune to briefly detail the present system of financing the farming industry in the Colony before dealing with the case (—ng under review.

The financing of nearly all the farms in the Colony has been undertaken by my Company for many years past, the usual procedure is to allow overdrafts on current accounts and when it is deemed necessary Clients are required to sign an undertaking that they will not mortgage their property without the Company's knowledge and agreement. As security for advances made Clients are further required to consign their produce to my Head Office who sell it on their behalf. Our charges are - 5% on the amount of overdraft and 1% on the invoice value of produce sold which charge is for services rendered in connection with such sale and is customary. Several farms do not consign to the Company and such farms are charged 7% interest on overdraft and 1% commission on disbursements. A buying commission of 2% only is charged by my Head Office on farm stores ordered by Farmers through that Office. Farmers therefore get the benefit of our experience in buying and consequently are enabled to purchase on the best possible terms. Farmers also get special terms for stores purchased in Stanley.

With reference to the interest on overdrafts it should be noted that contrary to usual banking practice, when an overdraft exists, interest is allowed on credits at the date of receipt in London not at the date of receipt here.

All farms keep a current account with the Company and practically all farms are at certain periods each year overdrawn.

" 3. Up till 1930, with but four exceptions, all farms consigned their produce to my Head Office. One of these four farms was Port San Carlos. In 1931 they were heavily overdrawn with us and with their Bankers in London. I understand that their Bankers then required their overdraft liquidated. Port San Carlos endeavoured to raise money in London and I believe in Buenos Aires but without success. They then approached my Head Office and eventually came to terms which were £10,500 on mortgage at 8% plus 1% commission, produce to be consigned to my Head Office in London and stores to be purchased from the Company. In 1935 the rate of interest was reduced to 7% and the restriction re purchase of stores modified.

" 4. In view of the conditions prevailing in 1931 I am of opinion that not only were Port San Carlos exceedingly fortunate in obtaining a mortgage at that time but that the terms and conditions they obtained were reasonable which is apparent when the following are given consideration. During the previous depression in 1920 it became apparent that if my Company was to continue to finance farmers as heretofore they would have to increase their cash balances. It was therefore decided to issue debentures and the best terms which could be secured were 8%. The Directors of the Company were also called on to give their personal guarantee in respect of the amount borrowed. This money was not required to finance the Company's own farm but solely for the financing of their Clients.

About that time I was manager of a shipping Company in India which also had to borrow and the best terms available were 8%, 15-year debentures secured on freehold property in Bombay and elsewhere, steamers, lighters, tugs etc.

In the Argentine I understand that owing to the system of land tenure farmers can only mortgage their livestock and that the State Bank grants loans at 6%. During the recent depression Banks foreclosed on the stock where necessary, sold all they could to the Freezers and came to terms with Farmers to buy back which Freezers would not take. Current rates in Chile (Magallanes territory) are for both overdrafts and mortgages 10% interest plus 1% commission but good clients may get accommodation at 8% and 1%.

To the best of my knowledge my Company has never foreclosed on a debtor and there are only one or two cases where a deed of mortgage has actually been required as security against advances.

" 5. I therefore submit that the several contentions made in Mr. Cameron's letter to the Colonial Secretary dated 18th November, 1936 cannot be sustained.

Banking facilities do exist - that the present system has endured for many years is surely proof that it is adequate and in no way has it been proved that the system has ~~been~~ retarded development or is in any way detrimental to the interests of the Colony as a whole.

It is reasonable to assume that with the exception of Mr. Casseron farmers find the present system under which their farming operations are financed fully adequate for their needs and that the terms and conditions are equitable.

6. As stated previously The Company has made it its business to finance farms in both good and bad times - if Government decided on a policy of making loans to farmers on mortgage for purposes other than that of development then the whole basis of finance as at present constituted would be affected. My Company's views on the granting of credit would doubtless be greatly modified possibly to the extent of generally refusing advances in bad times. Government would then be looked to to come to the rescue of the industry and would have to be prepared to finance farms requiring them to do so as long as the depression lasted. Some indication of the total approximate amounts of overdrafts allowed to farmers by my Company in the 1920 and 1930 depressions are given below :-

1920 period - £75,000. 1930 period - £55,000.

If my Company's resources were not available at such times would Government be prepared to undertake this liability? I am strongly of opinion that Government would not be justified in using the Colony's resources for this purpose despite the fact that failure to obtain credit at such times would probably force some farmers into liquidation.

7. In the case under discussion it has not been stated as to why Port San Carlos found themselves in financial straits. The only grounds which could in any way justify Government giving their application sympathetic consideration would be adequate proof that it was solely due to heavy and justifiable expenditure on the development of the property. I doubt if this can be proved and am of opinion that it is for Port San Carlos to make the best terms they can as regards the existing mortgage either by negotiation with the mortgagor or by obtaining better terms from another party which would enable them to pay out the present holders of the mortgage.

As regards repayment the advisability of taking out a Capital Redemption Policy does not appear to have been considered.

8. A loan from Government for development of the farm is an entirely different matter and it should be possible for Port San Carlos, the mortgagors and Government to find a basis under which Port San Carlos would be enabled to borrow for this purpose.

9. If Government is desirous of creating a loan fund to enable farmers to borrow for certain purposes I am of opinion that it is in the best interests of the Colony if

(a) loans only to be granted for the development of farms - such development ~~to~~ be approved by the Stock ~~Department~~ Department before the loan is granted and that Department to be responsible for seeing such development is duly carried out. Unless the financing of the industry is to be radically affected it would be necessary to evolve a scheme which would satisfy my Company insofar as current account overdrafts are concerned and at the same time make it possible for farmers to obtain loans from Government for development.

(b) A definite limit should be placed on the amount to be lent to any one farm - such limit to be on a percentage basis either of land held or sheep run.

(c) The details given in the pamphlet "Advances to Settlers and Workers" published by the Dominion of New Zealand appears to provide a working basis and it is noted that the maximum amounts which may be loaned are definitely laid down therein, i.e. £2,000 to settlers and £750 for workers.

10. Another aspect of the granting of loans by Government which

must be considered is the effect such a policy would have on the finances of the Colony. Presuming that Government creates and loans a Fund amounting to 10% of the Land Sales Fund (say £25,000) which is now held in first class stocks - the interest thereon forms a considerable portion of the Colony's revenue. In times of depression when revenue derived from investments outside the Colony is of the greatest importance - the interest due from borrowers within the Colony may not be forthcoming thus affecting the revenue. At such times it is almost inevitable that every effort will be made to get interest charges reduced or their collection postponed or even cancelled.

My views may be briefly summed up thus :-

- (1) I do not consider that Mr. Cameron has made out a case that the mortgage which Port San Carlos entered into of their own free will and without pressure from this Company is onerous.
- (2) No case has been made out to warrant Government intervening in the matter of that mortgage.
- (3) That such intervention would doubtless have consequences which would adversely affect the whole basis on which the farming industry has been financed for many years past and which has generally given satisfaction.
- (4) A Government loan fund which would make loans available for development purpose only has much to commend it providing such loans are definitely used for that purpose intended. It would however usually be necessary for Government, Borrowers and this Company to come to an understanding before such loans were granted so that the Borrowers' position should not be affected insofar as financing the usual cash requirements of the Farm.
- (5) Such loans might at times have an adverse effect on the revenue of the Colony.

I trust that you approve of my views on this matter.

7. 1408. 11. WIRELESS SETS - CASSON. I note that you have secured their sole agency.

8. FUELLING VESSELS BY ADMIRALTY STOCKS. Under our Agreement with the Admiralty we understand that we have to fuel vessels at any time of the day or night and on any day. This we do but we would like you to bring to the Admiralty's notice the matter of fuelling such vessels as "Discovery II". This vessel recently called in and required 50 tons only, our remuneration thereon being £ 2. 10. -. for which we have to raise steam on "Kelp", shift "O.C.82" from her moorings to alongside vessel, remoor on completion of fuelling, supply labour, etc. It is apparent that a loss is entailed when a limited quantity of fuel is taken and we suggest that for vessels other than H.M. Naval ships an overhead charge of 35 per fuelling plus 1/- per ton might be sanctioned.

9. My 787. 16. I am in receipt of your telegram dated 18th ulto. and note that I should apply for a license to seal and this is being done.

10. FREE GRANT FROM COLONIAL DEVELOPMENT FUND. The following note has recently been issued by Government ("Penguin" 23/3/37) :-

"His Excellency the Governor has much pleasure in announcing that he has received a telegram from the Secretary of State stating that the Committee of the Colonial Development Fund has made a free grant to the Colony of £3,180. £2,500 of this sum is a contribution towards, or on behalf of the expenditure on, the experimental regrassing and general improvements this year of Stanley Common to increase its stock carrying capacity. The balance is to cover the entire cost of the visit to the Colony next Spring of Mr. William Davies the distinguished grass expert from the Aberystwyth Plant Breeding Station. The object in view is to improve the pastures and rough grazings of the Colony generally. Mr Davies will visit these Islands in an advisory capacity and will stay for a few months only. Experiments and works extending over a number of years will it is anticipated arise out of the report of Mr. Davies and it is proposed to seek financial aid from the Colonial Development Fund to cover the cost. Meanwhile His Excellency has telegraphed the Secretary of State to thank him on behalf of the Colony for the generous preliminary grant made. There can be no doubt that the quality of the pastures of the Colony as a whole has deteriorated steadily for the past 40 years. The number of sheep carried has fallen from over 800,000 to little more than 600,000. The work to be undertaken is therefore of outstanding importance to the future of these Islands."

11. ELECTRIC LIGHT. The Government plant is being extended and a 24-hour service is to be provided. This will be of convenience to our Store and I therefore propose to turn over to the Government supply when it is available, and to send our small plant and batteries to Darwin.

12. Mr. H.G. GREECE of this office is due shortly for leave but as Mr. Hodgson's contract expires early next year I am letting Mr. Greece take his leave now. He will leave per "Laonia"/"Asturias" sailing 26th instant and should return per "Asturias" leaving Southampton 2nd October next.

13. WEST COVE RESERVE. I have applied for a renewal of this lease.

14. With reference to my 780. 10. Mr. Honeyman is giving satisfaction in his new position which combines the duties of Book keeper, Storekeeper and Camp Teacher at Darwin and has therefore been confirmed in that post. His salary has been increased to £250 p.a. rising by £15 p.a. till the end of his present agreement and as he has recently married I have agreed to pay his wife's passage home intermediate class, when the time comes.

No. 790 per "Lafonia" 3/14/37. - 6 -

15. Mr. F.J. HUTCHINSON recently enquired if we would consider loaning ~~the~~ Motley Island to him. If so he would purchase from us each year 3 - 400 wethers which he would run on the island for his Stanley Butchery. Mr.G.Coddard will discuss this with you.

Hutchinson has been buying sheep from Lively Island and runs a number of them on Middle Island - I understand he pays 6d per head for this privilege.

Enc.

16. MR. GEORGE V. PLAYING FIELDS FOR CHILDREN: I enclose copies of circulars regarding a Fund which is being raised in the Colony for this purpose and beg to enquire if the Board will contribute thereto on behalf of the Company. The Secretary of the Fund informs me that they would like to acquire the Company's plot of land known as the Marmont Row paddock but I do not think we should part with it on any account as it is probably the best site not built on, in the Town. The unoccupied plot behind Stanley House between John Street and Fitzroy Road is not likely to be required by us. It measures 200 ft. x 130 ft. and if the Board decides to contribute it is a question whether we should not offer this plot as our contribution.

17. I have to acknowledge receipt of your despatch No. 1409 dated 26th February last received by Airmail.

18. 1409. 2. K.A.J. PITT. Present pay is £20. 10. -. which includes £3 Wireless allowance. ^{I am} Looking into this matter ^{but} please request Captain Thompson to advise us how the rate of £22 per month is arrived at. s.s. "Fitzroy" trades within the Home Trade limits of the Colony - surely the scale of wages shown on page 5 of the National Maritime Board's 1937 year book applies. If the scale on page 9 applies then a deduction for food has to be made.

19. F.I. & P. SEALING Co., LTD. Mr.D.Watson proceeded to England in March last and you have doubtless discussed the position with him. Catch 1937. I note that you have sold up to 400 tons Grade A £22, Grade B £21, c.i.f. Glasgow.

1409. 6. empty 80/90 gallon drums. The 1,200 drums ex "Lafonia" are due this month. I am going into the matter of shipping oil in bulk.

No. 790 per "LaFonia" 5/4/37. - 7 -

The procedure would be to empty drums into on-carrier's deep tanks at Montevideo. Houlders are certainly interested in carrying oil in bulk in their deep tanks and if the rate of freight were sufficiently attractive might agree to the delay. The drums would then be returned here for further use. The only drums likely to be available at Montevideo are the 40/45 gallons.

With reference to our selling oil naked buyers to return drums for reshipment to us here when emptied, what are Messrs. Geddes' views on this proposal?

Reorganisation. I have not been able to proceed further with this matter as yet and am awaiting Mr. Sataon's return. I enclose copies of my letter dated 3rd March, 1937 to Government and their reply dated 16th idem. in this connection.

I instructed Captain Roberts to enquire re plant at Prince Olaf Harbour. This station which belonged to the Southern Whaling & Sealing Co. Ltd. has been purchased by Salvesens and I understand they would dispose of much of it cheaply. There is also about 500 tons coal and 400 tons coke on the wharf. There are a number of press boilers complete with trays, 12 of which are new and have been used for one season only, 3 guano plants and about 20 Clarke Chapman winches 8" cylinders.

Would you enquire with Salvesens their idea of price for plant, coal and coke. If the coal is a reasonably good steam coal, cheap and in good condition it might be worth buying but at not more than £1 per ton and coke at 10/- to 15/-. When we loaded it we could then examine and select such plant as was likely to be of use to us of the Sealing Company.

Whales appear to be on the increase around the Islands and if the Sealing Company is reorganised it is a question if they should not also undertake whaling.

Another catcher "Charcot" built 1923 is for sale and could probably be secured for about £600. She is said to be in good condition. An element of Norwegian personnel would be necessary and

No. 790 per "Lafovia" 3/4/57. - 8 -

Mr. Watson is of opinion that some capital might be available from that quarter - those are matters he is looking into and will doubtless discuss with you.

20. 1409. 7. HOOPS. 98" are suitable.

21. 1409. 8. BAGGING. I am cabling you for 15,000 yards bagging and 500 woolpacks.

22. COPIES OF CERTIFICATES OF REGISTRY for "Fort Richard" and Inc. "Ryddur" enclosed and will follow for "Lafovia" and "Fitzroy".

23. RESERVOIR & NAVAL FUEL DEPOT. Repairs to the reservoir are almost completed and we now await a reply from the Admiralty re guttering and leads - from the oil tanks.

24. GOVERNMENT is ordering a seagoing speed boat from Vespers in place of S.L. "Penguin" - it is thought that it will be useful for emergency calls to stations as well as for harbour work. The cost is being met out of the Marine Insurance Fund.

Another scheme which was sponsored by Dr. Cheverton and Mr. Webb - is the supplying of free cows milk to school children. A Government dairy farm would provide the milk from imported dairy cows and to help pay for the project and to ensure disposal of a surplus the import of evaporated and condensed milk and of butter was to be prohibited. Now that Mr. Cheverton has gone wiser counsels may prevail but if not I suggest that our suppliers the Wilts United Dairies might discuss the matter of prohibiting the import of milk with the Colonial Office. The value of our imports of milk is about £1,500 and of butter £1350 per annum. I understand that the new Principal Medical Officer considers that the purpose would be served by issuing diluted evaporated full cream milk such as Regal or Coronet brands. So far as I know neither of these matters have been discussed with the unofficial members of either Councils. I have mentioned them as when considered with the matter referred to in my Para. 6 above you will appreciate that Government has no real inclination towards true economy as yet. I am of opinion that the Sheepowners Association can only hope to do good by unremitting criticism of Government's activities and I propose to deal with this matter at length by a later mail.

Enc.

25. ARGENTINA AND THE FALKLAND ISLANDS. I enclose copy of a booklet in Spanish issued by the Argentine Government which deals with their claims to the Falkland Islands and which is circulated for use in schools.

26. WOOL PRICES realised at the March sales were very satisfactory and I trust that the market will continue firm.

27. PARONIA must now be posted "via Montevideo" as there will be no direct sailings from United Kingdom to Port Stanley though it is possible "Gina del Pacifico" may continue to call on her tour round South America.

28. SHEEP - GILDERMINSTER & Co. - S.S. "FITZROY". A further deposit should be made with you shortly. I estimate that the value of one load of sheep plus freight is about £1,200.

S.S. "Fitzroy" took 14 days to fit out at Magallanes but a good job has been made of her and she will carry 2,900 sheep.

Coal. I have purchased 800 tons Coronel at Magallanes at £1 per ton plus \$75 (Chile) to cover freight, hulkage and loading. This should see us through sheep shifting and if so the 200 tons in "Port Edgar" will be utilised at Albenarle.

Insurance of freight. As "Fitzroy" carried more sheep than anticipated I telegraphed to you on 20th ulto. to increase the insurance on freight at risk to \$450. On her first voyage with sheep before fitting out she lifted 577 wethers ex Darwin, these averaged 58.4 lbs. dressed weights and we received 6/1d per sheep. The second voyage she lifted 1,200 ex Seal Inlet, 1,024 ex Bonner and 676 ex Darwin = 2,900. Returns have not yet been received. The third voyage she shipped 2,792 ex West Point Inland, Roy Cove and New Island. She is due to load at Chartres on 2nd instant.

About 29,000 sheep have been promised and if this number is shipped S.S. "Fitzroy" will be kept busy until the end of May. The maximum quantity to be shipped from our farm this year is 5,000.

Quota. The obtaining of a quota for Falkland Islands sheep appears to have given rise to much talk from Vestey's and Houlders representatives in Magallanes and it will be interesting to see what

No. 790 per "LaSonia" 3/4/57. - 10 -

repercussions it may have if the quota is filled.

I was under the impression that if we could export to the United Kingdom we should receive 'free entry'. Would you enquire with the Board of Trade re this. Gildermeisters' agent is A.E. Fitch, 1 - 4 Great Tower Street, E.C.3. and when Falkland Islands mutton is shipped to United Kingdom it would be interesting if you could ascertain how it is received.

I will advise you as to the quantity passed for export in due course.

Regarding the first shipment of 577 wethers ex Darwin, Gildermeister & Co. write "the quality of this first shipment of wethers was very satisfactory and a good number was fit for freezing."

As the Falkland Islands Government Inspector had not arrived at their works the carcasses could not be stamped so were tried out.

29. MACLEAN & STAPLEDON. You will regret to learn that W.J. Maclean died on 15th February last. I understand that the business of the firm will not be affected in any way. I may however make some change in our buying arrangements at Buenos Aires as I have not been satisfied with Messrs. W.A. Maclean & Co., Buenos Aires with whom Maclean & Stapledon place our Buenos Aires business.

With reference to Maclean & Stapledon's remuneration for certain services rendered I have agreed to pay them 2 1/2% re the Ancon oil fuel contract and 5% on passages booked and 2 1/2% on freight secured.

30. REMITTANCES. I required £1,000 at the end of February, nothing at the end of March but shall probably require a large remittance at the end of April in view of the number of Camp visitors expected in Stanley at the Coronation.

31. PENCING OF BOUNDARY ALONG NICKHAM HILLS. Mr O. Goddard will discuss this matter with you on his arrival.

32. DOCTOR'S HOUSE, DARWIN. With reference to the Camp Manager's despatch dated 21st February last, I have discussed this matter with him and we are now going into comparisons -
(1) Framing at Darwin (2) Framing at Stanley and (3) ordering house from United Kingdom.

I will revert to this later.

33. LIVELY ISLAND. I regret to note from your telegram dated 10th ulto. of Mrs. J.M.A. Cobb's death on 8th idem.

I met Mr. G. Goddard at Lively Island on 15th idem and examined the buildings and plant at the Settlement with him. We left Mr. Gilrath to ride the fences and go into certain other matters. A detailed valuation will be sent you by next mail.

34. I left Stanley per s.s. "Lafonia" a.m. on 15th ulto. met Mr. G. Goddard at Lively Island and went on to Darwin that night returning to Stanley on 21st idem.

I propose to visit Buenos Aires and South Brazil at the end of May when s.s. "Lafonia" loads wheat at Buenos Aires for Porto Alegre.

SHIPPING:-

35. CLIENTS CARGO. Clients have been advised under date 3rd March that, following "Highland Brigade" sailing 22nd May, the next shipment from United Kingdom on which no storing and reshipping charges will be levied will be "Highland Patriot" from England 14th Inc. August. Copy of Circular enclosed.

Please advise those interested at yours.

Enc. "LAFONIA" ITINERARY. I enclose two copies of revised itinerary 26th April to 22nd December which cancels previous issues. The connection with "Alcantara" outwards 15th November has been arranged to take the Exploradora wool classers to Magallanes.

"ROYAL" left Stanley for Darwin sheep-shifting for the Farm at 7.30 a.m. 1st March and arrived back in Stanley 6 p.m. 12th March.

The Camp Manager utilised this vessel and lighter "Harris" and I understand that he shifted about 4,900 sheep in 10 days and is satisfied that this provides an expeditious means of getting this work done.

Lighter "Harris" will now be stationed at Goose Green. As both "Lafonia" and "Pitzroy" are fully engaged for the next two months I propose to make several voyages to Stations with stores and to assist bringing passengers in for the Coronation. *with Roydon?*
s.s. "PITZROY" - sheep shifting to Magallanes. Continuing last report,

"Pitaroy" arrived back at Darwin from Speedwell Island at 9 p.m. 27th February, loaded the first lot of sheep (577) and arrived Magallanes a.m. 3rd March having had bad weather. After fitting out for the subsequent work she left Magallanes 17th idem ~~morning~~ arriving at Darwin p.m. on 19th. She left Darwin at 3 p.m. 20th March with 2,900 sheep for Magallanes where she arrived p.m. 22nd. She returned to West Point Island a.m. 26th March and from there to Poy Cove and New Island lifting 2,792 sheep, leaving New Island noon 28th for Magallanes where she arrived noon 30th March. She is due at Chartres on 2nd instant.

S.S. "LAFONIA". (Voyage A.B.5 continued), sailed 1 p.m. 28th February arrived Montevideo 4th March with 778 bales wool and skins, 24 hides. The Engineers Eccleston and Burrows were paid off there, Burrows only deciding to leave the ship after arriving at Montevideo. Getting substitute engineers delayed the vessel and she left Montevideo 4.30 p.m. 7th March with 66 tons general cargo, 162 tons steam coal and 76 tons house coal. She entered at Port San Carlos 11 a.m. 11th March to embark His Excellency the Governor for Stanley, she also discharged 75 tons steam coal there for use of "Pitaroy" when required. She arrived Stanley 6 a.m. 12th.

Voyage A.B.6. "Lafonia" left Stanley for Lively Island, Foxbay, South Georgia and Stanley at 8 a.m. 15th March. "Lafonia" left Foxbay 6 a.m. 16th March for Grytviken. Her cargo from Stanley for South Georgia consisted of 50 live sheep and 200 carcasses for Leith Harbour and stores for R.Y. "Penola". She arrived Grytviken noon 19th and at Leith Harbour the following afternoon. She left Leith 5.30 a.m. 21st arriving Stanley 8 a.m. 24th with the Falkland Islands labourers and a few tons of guano for the store.

Voyage A.B.7. Left Stanley noon 28th March for Speedwell Island (with stores), Foxbay and Magallanes where she was due 3 p.m. 31st idem. She calls at Hill Cove and Wrenton Loch on her return picking up Mr. & Mrs. Blake, Mr. G.T. Bean and Mr. G.M. Goddard and family, arriving at Stanley 4th April and leaving the same day for Montevideo with some 30 passengers.

Sundry bookings - Freight. We have secured for s.s. "Lafonia" 750 drums oil ex Ancap, Montevideo to Porto Alegre this voyage at £3.40 (Urug) per drum, bringing back empties June/July at £3.35 per drum.

She is further booked for 1,500 tons wheat in bags, Buenos Aires to Porto Alegre, and Bay, freight £52 (Arg. Gold) per ton. This latter booking has been made through the agency of Messrs. J.M. Williams & Co., Buenos Aires.

Officers. As Messrs. Adair and Pitt are engaged on "Fitzroy" and as Chief Officer Redford, who came out with "Lafonia", desires to return to England, we have endeavoured to secure a Chief Officer in Buenos Aires or Montevideo but without success. I am therefore cabling you via "Lafonia" to engage and send one out.

Engineers. I note that you have engaged a Mr. ~~Ransom~~ as Chief Engineer who will join "Lafonia" at Montevideo on 16th inst. which is satisfactory. We had to engage two engineers at Montevideo last voyage but are replacing them with two Norwegians ex South Georgia who will remain with us until the whaling season recommences. We shall therefore require a 2nd and 3rd engineer about October next.

Wireless Operator Black is giving us satisfaction but desires to go home within a month or so. I hope to employ a local man in this post.

You will recollect that we hired a chronometer from Messrs. H. Hughes & Co. for the voyage out. We wish to keep it. Please therefore arrange purchase.

Echo sounding machine is proving most useful and Captain Roberts will shortly make a report thereon.

36. LORRY FOR STORES. The first lorry was landed here in February 1931 and the second in January 1935. The first one still has life in it but the store is hard put to keep ahead of deliveries when one is laid up. The delivery of meat is also now done by lorry and the butcher's cart & horse have been done away with. I therefore request that you will send out another lorry - a 10-cwt. Ford van which will specially be used for light deliveries and butchery. This is shown on page 4 of the Ford Commercial Catalogue, October 1934. We require the Van with body as illustrated - shutters at rear -

No. 790 per "Lafonia" 3/4/37. - 14 -

painted black bonnet and side panels, upper panels red. Wholesale price £136. You can doubtless arrange to ship it uncrated.

I am,

Sir,

your obedient servant,

Manager.

No. 791 per "LaFonia" via Magallanes & Montevideo, 24th April, 1937.

P R E C I S

1. Confirms No. 790 dated 3/4/37.
2. Pitaluga Estates - outlines dispute between Mrs M. Turner, Alexander Pitaluga and late Andreas Pitaluga re A.B. Pitaluga's Estate. Quotes summary from arbitration award.
3. Encloses Wages Comparative Statement No. 21 - 1st Quarter, 1937.
4. Remittances - £2,000 will be cabled for at end of April.
5. Sheep to Tres Puentes - 14,344 sheep shipped to date. Hopes s.s. "Fitzroy" will complete shipment about 21st prox. Understand about 50% of sheep shipped passed for export. Freezer recently visited by Mr. Weit, Agricultural Adviser. Houlders may approach you with reference to establishment of a Freezing Works in the Colony. Canning Works available at Goose Green.
6. Advises Eksktodora Co. may import 11 rams from New Zealand with transshipment at Port Stanley. Requests you to enquire by what line shipment will be made.
7. Your telegram dated 9th inst. re Government motorboat passed on to Captain Roberts.
8. Notes excellent average price obtained for Darwin sheepskins.
9. Reports Ship Hotel extension will be ready for occupation by 1st May.
10. Mr. M.G. Greece proceeds on leave by this "LaFonia".
11. Shipping supplement.
12. Encloses statement of crew's wages for our vessels, as requested.

... ..

"LAFONIA" via Magallanes
& Montevideo.
791.

24th April, 37.

Sir,

I have to confirm my Despatch No. 790 dated 3rd instant. The next mail is due on 25th and as the next out leaves on 26th idem there will not be time to deal with it by this opportunity.

2. THE PITALUGA ESTATE. A dispute arose between the late Andreas Pitaluga, Alexander Pitaluga and Mrs. Mary Turner (all children of the late A.M.Pitaluga) concerning the Estate of their late uncle Arthur Bailey Pitaluga; it was agreed that it should be settled by arbitration and the Supreme Court appointed Major H.J. Stewart and myself as Arbitrators.

A summary of the case and of our findings is given at foot.

The Supreme Court having accepted the award has instructed Mr. Alex Pitaluga and Mrs. Mary Turner to apply for Letters of Administration and wind up A.B.Pitaluga's Estate in accordance therewith.

As the late A.M.Pitaluga and the late H.J.Pitaluga divided the farms, the former taking Salvador^(El Salvador) and the latter Rincon Grande, without making any provision for the safeguarding of A.B.Pitaluga's rights therein and as both farms are in debt the winding up of A.B.Pitaluga's Estate will be difficult. As I doubt whether Mrs.

dc. H.J.Pitaluga is aware that Rincon Grande is involved I enclose a letter to her which please forward.

SUMMARY. The facts of the case are briefly summed up thus :-

Andreas Pitaluga, father of the late Alexander McIntosh Pitaluga, the late Henry John Pitaluga, Arthur Bailey Pitaluga, the late Richard Pitaluga and Mrs. Helen Melvina Bonner and grand father of the late Andreas Pitaluga, Alexander Pitaluga, Mrs. Alice Harvey, Mrs. Mary Turner and the late Mrs. Margaret Lehen, Mrs. Ellen White and Mrs.

THE MANAGING DIRECTOR,

LONDON.

Agnes Small - died intestate on June 16th, 1878. His wife, Margaret, died some eight months later. On July 12th, 1886 an even distribution of the Personal Estate of the late Andres Pitaluga was made, each of his five children receiving \$1,061. 8. 7¹/₂d. which sum they agreed to leave in the farms at interest of 5% (Deed Book Vol. II. Pages 365 and 366). On March 21st, 1887 a Deed of Agreement was registered between the shareholders making the late Alexander McIntosh Pitaluga manager. At that date Arthur Bailey Pitaluga was unable to act for himself being in an asylum in Montevideo but the co-heirs agreed that "he shall be entitled to all privileges and benefits of this Deed". (Deed Book Vol. II. Pages 419 - 423). It is believed that Richard Pitaluga, son of the late Andres Pitaluga, died ~~some~~ thirty and thirty six years ago. He had made a will by which he bequeathed all his Estate to Andreas Pitaluga, his nephew (Deed Book Vol. III. Page 111) but later, on 7th December, 1897 he granted a Power of Attorney to Helen Malvina Bonner who on 23rd May, 1903 disposed of her own interest and the interest of her brother Richard for a sum of \$3,000 (Deed Book Vol. V. Page 28). On 11th January, 1910 (Deed Book Vol. V. Page 34) the late Alexander McIntosh Pitaluga and the late Henry John Pitaluga withdrew their shares, the one from Rincon Grande and the other from Gibraltar Station, each managing the respective farms separately. Arthur Bailey Pitaluga was still alive at that date which fact they disregarded. On October 7th, 1913 (Deed Book Vol. VI. Page 133) Alexander McIntosh Pitaluga and Henry John Pitaluga rectified this error and registered a Deed whereby they agreed to manage the affairs of Arthur Bailey Pitaluga until he recovered or died, if in the meantime he recovered and could manage his own affairs "then in that event he shall be entitled to have and take his lawful share as co-heir to the Estate of the late Andres Pitaluga in our said Stations of Gibraltar Station and Rincon Grande and enjoy all privileges and benefits arising from same, so far as he shall be legally entitled". On March 17th, 1914 Mrs. Helen Malvina Bonner disposed of her expectant share in the Estate of Arthur Bailey Pitaluga for \$1,500 to Alexander McIntosh Pitaluga and Henry John Pitaluga "Their heirs and assigns for herself, her heirs and assigns, all right, title or claim she may now or hereafter be entitled to in the Estate of Arthur Bailey Pitaluga". The document further states "that Arthur Bailey Pitaluga, at present an inmate of the National Asylum, Montevideo, has and holds, as a son of the late Andres Pitaluga, a share in the said farms known as Gibraltar and Rincon Grande Stations and that the said Helen Malvina Bonner has or may have a share in the Estate of the said Arthur Bailey Pitaluga contingent on her surviving him. The Deed is signed by Alexander McIntosh Pitaluga, Henry John Pitaluga and Helen Malvina Bonner and witnessed by M. Craigie Halkett and Isabella Atkins (Deed Book Vol. VI. page 142). In 1918 Alexander McIntosh Pitaluga died leaving his Estate to his two sons Andreas and Alexander Pitaluga, with provisions for his wife and for his daughters should they become widows (Deed Book Vol. VII. Pages 296 and 298). In 1925 Henry John Pitaluga died leaving his Estate to his wife while unmarried and in the event of her marriage or death to his three children (Deed Book Vol. V. Page 372). On or about 13th December, 1930 a person alleged to be Arthur Bailey Pitaluga died in the Hospital Vilardebo, Montevideo. The death certificate was made out in the name of Antonio Pitaluga, aged 80 years, whereas Arthur Bailey Pitaluga would then have been 70 years of age.

On consideration of the facts put before us we are agreed that the case resolves itself into the following questions :-

- (1) Had Arthur Bailey Pitaluga any Estate at any time ?
 Arthur Bailey Pitaluga possessed \$1,061. 8. 7¹/₂d. from 1886 till 1887 when this amount was exchanged for one fifth share in Gibraltar and Rincon Grande Stations which share increased to one third by transactions as detailed in paragraph 1.
- (2) Was the person who died at Montevideo on or about 13th December, 1930 Arthur Bailey Pitaluga ?
 The person who died at Montevideo on or about 13th December, 1930 was Arthur Bailey Pitaluga.

- (1) If so, had he any Estate at the time of his death ?
- (2) If he had any Estate at the time of his death
(a) what did it consist of ?
(b) What share of the profits of the farm was he entitled to ? What expenses should be debited to his Estate ?
- (3) & (4). At the time of the death of Arthur Bailey Pitaluga he was entitled to one third share of Gibraltar and Wincon Grande Stations plus accumulated profits, if any, from 1887 to 1930, less expensed incurred in maintaining him in the Asylum in Montevideo.
- (5) (a) Who are Arthur Bailey Pitaluga's heirs ?
(b) What share of his Estate is each heir entitled to ?
- (5) The heirs of Arthur Bailey Pitaluga are his next of kin :- Mrs Mary Turner entitled to one tenth share. The children of the late Margaret Lehen entitled to one tenth share divided equally between them. The Executors of the late Andreas (Donald) Pitaluga entitled to one tenth share. The child of the late Agnes Small entitled to one tenth share. The two children of the late Ellen White entitled to one tenth share divided equally between them. Alexander Pitaluga entitled to one tenth share. Alice Harvey entitled to one tenth share. Stanley Pitaluga entitled to one tenth share. Arthur Pitaluga entitled to one tenth share. Mrs. Malvina Galloway entitled to one tenth share.
- (6) How should the value of his Estate be arrived at ?
- (6) It is almost impossible to arrive at the true value of the Estate of Arthur Bailey Pitaluga owing to there being no detailed accounts available but it would be equitable to assess it by accepting the valuations put into the Supreme Court by the Executor of the late Alexander McIntosh Pitaluga in 1919 and of the late Henry John Pitaluga in 1925 disregarding all profits, losses and maintenance charges incurred up to 31st December, 1919. From 1st January 1920 and until the Estate be wound up it is suggested that the profits or losses be assessed on a basis as detailed above.
- (7) The winding up of his Estate.
- (7) The Estate should be wound up in accordance with law and on the basis outlined in this our award.
- (8) If his heirs cannot be paid out how should they be satisfied ?
- (8) The heirs should be satisfied by (a) Realisation of the assets and distribution of proceeds.
(b) Formation of a private limited company or companies giving each interested party a share holding in accordance with his interests or (c) the principal shareholders in each farm to assign mortgages in favour of the other interested parties.

3. WAGES COMPARATIVE STATEMENT, 1st QUARTER 1937 enclosed.

It shows an increase of £1,928. 17. 3. and is accounted for by the necessity of discharging "Lafonia" as quickly as possible in January to enable her to sail to time with wool for the March sales and our having two vessels in commission.

4. REMITTANCES. I am cabling for £2,000 at the end of April.

5. SHEEP TO TREES PUENTES. 14,344 have been shipped to date and about 10,000 more have to go. It is hoped that "Pitzroy" will complete this about 21st prox. Her pens will then be demolished, she will load timber and coal for Stanley and then make several inter-insular voyages. A full report of this business will be sent you on completion. I understand that about 50% of the sheep shipped have been passed as suitable for export to United Kingdom.

Only two small shipments have been made from our Farm -
 28th February. 573 wethers realised £174. 8. 6. or 6/1d each.
 20th March. 676 " " £203. 13. 6. " 6/- "
 We are shipping a further 800 ex Egg Harbour and 2,200 ex Darwin.

To the amount realised must be added 3/- per head for freight and if the full shipment of 28,000 is made freight earned will be over £4,000.

Mr. Weir, the Agricultural Adviser, has recently visited Tres Puentes and saw the first two large shipments of Falkland Islands sheep killed. The first was made up of Darwin, San Carlos and Teal Inlet sheep and the second West Point Island, Roy Cove and New Island. About 50% Darwin and Teal Inlet sheep passed for export and somewhat less of San Carlos. 70% Roy Cove sheep passed. West Point were too fat and were tried out.

This experiment has certainly been most valuable as it has clearly demonstrated that we have a fair number of sheep suitable for freezing. Gildermeister & Co. state that a quota for 500 tons could have been filled. The first shipment from Tres Puentes ~~will~~ to United Kingdom will be made about 26th April and the second mid May. I understand that the experiment has been closely watched by Houlders and Vestey's representatives and it likely that Houlders may approach you again with reference to establishing a freezing works in the Colony. They are said to have a plant lying idle in

No. 791 per "Lafonia" 24/4/37. - 5 -

Magallanes. We have the Canning Works available at Goose Green and if they should approach us it would appear that on this basis works could be put down with a comparatively small capital outlay. Government would undoubtedly be interested and would probably be prepared to give financial support. From the information before me I estimate that about 56,000 surplus sheep are available yearly, made up thus :-

Ex Falkland Islands Co.Ltd.	30,000.	(1937 - 25,000 boiled down 4,000 shipped to Ptes Puentes 1,000 for shipmt. to Magallanes butchery.)
Ex West Falklands.)		
Ex East Falklands.)	... 26,000.	

	56,000.	
	=====	

If 50% of these are suitable for freezing and average 50 lbs. = 625 tons frozen mutton. At the prices ruling in Magallanes this year these 56,000 sheep would represent in money to the Farmer £24,000 less the cost of getting them to the Freezing Works.

With Works in being Farmers would doubtless endeavour to increase their surplus and a few farms might be able to deliver lambs. The points which occur to me at this juncture are :-

1. Location of Works - Goose Green most suitable. Sheep can easily be driven from most stations on East Falkland. Sheep from West Falkland can be handled expeditiously by means of Coast lighters and "Roydur". A jetty would be required in Brenton Loch.
2. Staff other than a Supervisor, Veterinary Inspector and Engineers ~~from~~ ^{for} the Freezing plant are available locally.
3. Shipment of meat. I should prefer that we ship meat to Montevideo ^{-ed} and transhipped there but as this is not possible with s.s. "Lafonia" and as Boulders interest in coming in with us would in part be the freight aspect shipment would doubtless be made by their vessels. Vessels can lie near Darwin Harrows and load from lighters as is done from several of the Freezing Works in Chile and Patagonia. We should stipulate that skins, tallow, tripes etc. were shipped by our vessel via Montevideo.

Mr. T.D.Jones, the manager of Rio Seco travels home per

"Laionia" leaving Magallanes 30th instant and you will probably be approached by Boulders after his arrival. His Excellency is also taking a personal interest in the matter and will probably discuss it with you.

Gildemeister & Co. paid you a further £1,500 on 2nd April. They have since advised me that they were paying you £1,500 on 12th inst. and £1,100 per week thereafter.

6. The Exploradora Company may import 11 rams from New Zealand to be transhipped at Port Stanley to our vessel for Magallanes. Would you enquire with Messrs. Duncan Fox & Co. if this business is likely to go through and if so by what line will shipment be made. If we know in sufficient time we could arrange for small consignments of apples, butter, hay and farmers might be interested in importing sheep.

7. GOVERNMENT MOTOR BOAT. Your telegram dated 9th instant re shipment of this boat was passed on to Captain D.W. Roberts with instructions to reply to you direct.

8. DARWIN SHEEPskins. I note the excellent average these skins made (1/2nd).

9. SHIP HOTEL EXTENSION will be ready for occupation by 1st May and the hotel is fully booked for the Coronation week.

Accommodation consists of Dining room, 2 sitting rooms, 4 double and 3 single bedrooms.

10. Mr M.G. CRITCH proceeds on leave per "Laionia" / "Asturias" sailing 26th instant. He should leave England not later than "Asturias" sailing from Southampton 2nd October.

11. SHIPPING. S.S. "Rovdar" (Voy. R 2) sailed a.m. 5th April for Port Louis & Salvador waters returning to Stanley noon 9th. She carried a full load outwards and brought in 15 bales from Teal Inlet and 2 passengers.

Voy. R 3. Sailed a.m. 13th for Bluff Cove, North Arm, Foxbay, Port Howard and both San Carloses ~~and~~ with a full load and 13 passengers including a family of 7 for North Arm. Arrived Stanley 8 p.m. 17th April.

Voy. R 4. Sailed a.m. 20th with a full load and 10 passengers for Pebble Island, Saunders Island, Mill Cove, Shallow Bay, Carcass Island

No. 791 per "Lafonia" 21/4/37. - 7 -

Chartres, New Island, Weddell Island and Port Stephens.
s.s. "Fitzroy". It was decided to lift Chartres sheep at Foxbay and she arrived there noon 2nd April. Left with 2,940 sheep and arrived Magallanes p.m. 5th. Left Magallanes p.m. 6th for Pebble Island and Saunders Island and sailed from the latter port a.m. 11th with 2,774 sheep. Left Magallanes 14th April, arrived at and sailed from Foxbay 16th with 2,475 sheep. Left Magallanes 19th April for Saunders Island and Hill Cove, left Saunders Island 21st and Hill Cove 22nd with 2,678 sheep.

s.s. "Lafonia" arrived Stanley from Brenton Loch a.m. 4th April and sailed the same evening for Montevideo with 94 bales and 25 passengers including Mr. & Mrs. G.H. Goddard and Mr. G.T. Dean for United Kingdom and Mr. & Mrs. Robert Blake for Montevideo where she arrived p.m. 8th.

From Montevideo she sailed 10th April for Rio Grande do Sul and Porto Alegre with 2,189 drums naphtha from the Ancap Company. She left Rio Grande do Sul on 15th with 144 tons for Montevideo and 116 tons for Port Stanley ex Brazil. She left Montevideo 7 a.m. 20th April for Stanley with 397 tons all told, plus drums ex "Lalande", and calls at Foxbay and Port Howard en route to Stanley to embark passengers for the Coronation week - the latter port being a deviation for which the Government will pay. She is due to sail 26th/27th for Magallanes and Montevideo with 6 passengers from Stanley and some 14 from Magallanes.

Passengers from Stanley include Mr. M.G. Creece.

"Great Britain" was towed from her moorings in Stanley Harbour by "Roydur" and "Kelp" on 12th April and beached at Sparrow Cove in about 14 ft. water. Holes were made in the hull to ground her safely when it was found that the hull was in bad condition. I enclose several photos from which you will note she has grounded in a good position near the jetty where visitors to the penguin rookeries land and so far is almost on an even keel.

12. With reference to the Admiralty's enquiry and to your request for a statement of crew's wages carried on our several vessels, I now enclose this covering "Lafonia", "Fitzroy", "Roydur", "Port Richard" and "Kelp". This may of course vary from time to time to a

No. 791 per "Lafonia" 24/4/37. - 8 -

minor extent - a considerable amount of overtime is paid at certain seasons on "Lafonia" and "Falkland".

I am,

Sir,

your obedient servant,

Manager.

1. Despatch No. 792
2. Statement on Accounts No. 91
3. Remarks on Accounts No. 91.
4. Store Indent No. 759
5. Remarks on Naval Fuel Depot No. 57
6. Engineering Remarks No. 11.
7. Coal and Oil Fuel Statement - April
8. Royal Mail Lines account dated 19th May
9. Inward Reports - Roydur - R 4/9.
10. F.I.Gazettes dated April 1st, May 1st, May 12th
11. F.I.Shipping Report No 7/37
12. Coasting Insurances - April
13. Envelope addressed to H.G.Creece
14. " " E.G.Creece

SPECIFICATION

Mark	Wool	Skins	Tallow	
			Casks	Drums
Triangle D.H.	12	4		
D.H.			31	43
J.B.	22	4		

N.B. Coasting Insurances under separate cover

no. 792 per "Lafonia" via Montevideo 20th May, 1937.

R E C I D

1. Acknowledges Nos. 1410 and 1411 and Airmail letter dated 7th April. Confirms No. 791 dated 14th April.
2. Fencing Wire and Standards - Order for Roy Cove to be shipped in June. Mr. Miller requests portion be landed opposite Dunbar Is. balance in Grave Cove.
3. Survey Report and Messrs Kenneough's letter noted
4. Notes that Chief Officer leaves 12th Montevideo per "Arlanda"
5. Advance in price of herring noted.
6. Reports on voyages of s.s. "Lafonia" and "Loydur" bringing visitors from the Shaps to Stanley for the Coronation festivities. s.s. "Fitzroy" sheep shipping.
7. Surplus Sheep to Magallanes - Business fairly successful. Reports Gilsenmeister's representative has visited Stanley to discuss matters with Farmers. Insurance - will claim for losses later.
8. Understands River Plate Conference has increased freight rates U.K. - Buenos Aires as from 1st May.
9. s.s. "Lafonia" - Calibration of oil fuel tanks amended scale received. Reports that
10. Chief Engineer has arrived.
11. Sealing License - Notes Messrs Bishoff & Co's opinion. Reports application for license on 15th March gives conditions of new license has discussed matter with Mr. Craigie Baskett. and encloses copy of letter dated 17th May.
12. Mr. W.L. Watson arrived on 15th inst, will manage this years sealing s.s. "Fort Albemarle" to be docked next week, sealing to commence mid June.
13. 24 Prices in April Sales very satisfactory. Regrets shipment per "Chembury" did not arrive in time. Small shipment to go forward per this "Lafonia" Darwin tallow will probably be shipped in June
14. Notes Royal Mail Lines agree to our issuing 3rd Class return tickets "Tour A".
15. Seal skins - letter has been referred to Mr. W.L. Watson.
16. Regrets not cabling termination of risk on Lighter Harris.
17. Regrets to learn of Mr. D.B. Anislie's death.
18. Encloses report and valuation of Lively Island.
19. Port Line. - Noted.
20. Reports whilst bunkering at Speedwell Is. Port Edgar and "Fitzroy" dragged for about 2 miles. Report and claims will be forwarded as soon as possible.
21. Has agreed to act as Attorney for Mr. A. Vitaluga and Mrs M. Turner.
22. Penittances - will not require any money at end May probably not end June

22. Confirms telegraphic advice re F.I. Sutton.
 23. Notes Doctors House to be framed at Darwin.
 24. m.v. "Gentoo" - Keel to be renewed. Vessel probably to be docked in July. Mr. Barton to engage men
 25. F & D Sealing Co. reorganisation - present position referred to in Mr. Craigie Halkett's letter
 26. Gives earnings of s.s. "Lafonia" on voyage Montevideo/South Brazil/Montevideo. Proposes to accompany vessel.
 27. Excellent prices for sheepskins noted.
 28. Reports Second Farmers Conference held on 13th, 14th & 15th inst H.E. The Governor opened Conference then it was conducted under Chairmanship of Mr. Weir. Encloses copies of speeches of H.E. and Mr. Weir also agenda.
 29. Coronation Festivities - 300 Camp visitors came to Stanley most of them by sea. 14th May was a paid holiday. O.B.N. conferred on Mr. W.C. Cole Evans and 11 Coronation medals awarded. Reports weather broke on 12th, has steadily ~~marked~~ deteriorated, "Lafonia" at Magallanes, "Itzroy" sheltered at Bleaker. Delay in taking visitors back to their stations.
-

18th May,

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via Montevideo.

I have to acknowledge receipt of your Despatches Nos. 1410 and 1411 dated 25th March and 15th April respectively. Also of your Mail letter dated 7th April. I confirm my No. 791 dated 14th idem.

2. Fencing Wire and Standards. The order for Roy Cove

1000 Standards
130 Coils No. 8.
2 Coils No. 12.

has been booked and will be shipped out in June. In response to Mr. Miller's request, we shall land a portion opposite Dunbar Is. and the balance in Grave Cove if possible.

3. s.s. "LAFONIA" MILLERS Survey report and Messrs Kenneough's letter dated 5th ulto to hand which have my attention.

4. CHIEF OFFICER. I note that you have secured a Chief Officer who will leave for Montevideo per "Arlanza" sailing 29th May.

5. BAGGING. Advance in price noted.

6. s.s. "LAFONIA" left Stanley, voyage A.B. 8 on 27th April for Foxbay, Magallanes and Montevideo, with 3 passengers for Magallanes and 6 for Montevideo. At Magallanes she embarked a further 22 passengers for Montevideo, together with some 90 tons weight wool and skins for London. She arrived back in Stanley on 12th May with 2 passengers and transhipment cargo ex "Asturias".

A.B. 9. "Lafonia" left for Magallanes on 14th May in ballast with 5 passengers, left Magallanes 17th idem with 11 passengers and is due back in Stanley on 19th whence she sails early on 20th for Montevideo. She will have some 23 transit passengers, including His Excellency the Governor, and 4 passengers disembarking in Montevideo.

s.s. "ROYDUR" details of "Roydur's" special voyages bringing in

passengers for the Coronation festivities will be found in the Inward Reports, Voyages R 5 to R 9. Briefly, she brought the following passengers to Stanley:-

R.5. from West Falklands and Salvador	40
R.6. " " " and Port San Carlos	27
R.7. " North Arm	53
R.8. " Berkeley Sound	16
R.9. " Darwin	<u>60</u>
Total	<u>196</u>

Unfortunately, heavy southerly weather since 14th May has upset her return voyages, and we are faced with the problem of returning more than 300 persons, including those who came in by "Lafonia" 25th April and by "Tilar" and on horseback. Most of these passengers will be embarked in "Lafonia", 20th May, for San Carlos or Fox Bay.

S.S. "TITREY" Sheep shipping:-

From Douglas Station, 29th April	2821 sheep
" Teal Inlet & Port San Carlos 8th May	2783 sheep
" Darwin 16th May,	2717 sheep.

7. 1410.2. Surplus Sheep to Magallanes. This business has been carried through fairly successfully, I understand that the quota will be filled although one or two shipments did not turn out quite as well as anticipated. Gildemeister appear to be satisfied and are anxious to purchase next year. Their representative, Mr. Freidli, has been in the Colony for a few weeks discussing matters with Farmers I have given him no understanding ^{taking} either in the matter of sheep or transport - this can be discussed after I have had an opportunity of studying this years results.

INSURANCE. The sheep are at Gildemeister's risk, the freight is at our risk. I enclose declarations to date and will claim for losses on vessels return to Stanley when I can send you certified extracts from ship's log.

8. Freight Rates, U.K. - Buenos Aires. I understand that the River Plate Conference has increased rates as from 1st May last. Please confirm and send me amended schedules.

9. 1410.12. S.S. "Lafonia" . Calibration of oil fuel tanks

Amended Scale to hand.

1410.13. Chief Engineer. A.J. Brown has arrived and makes a good impression.

10. 1410.14. Sealing License. I note Messrs Bisehoff & Co's opinion. I applied for a license on 25th March last and when received found it included these conditions -

"Under the provisions of Section 5 of the Seal Fishery (Consolidation) Ordinance, 1921, a license is hereby granted to

THE FALKLAND ISLANDS CO. LTD

to take seals of the species known as hair seals and elephant seals on the mainland and islands which compose the Crown Grant of Lafonia subject to the terms and conditions specified in the schedule annexed hereto and during the period therein prescribed up to the 31st of October, 1937."

CONDITIONS OF LICENSE

1. That the usual duty on the export of Seal Oil is paid.
2. That the license is valid in respect of the Mainlands and Islands, which compose the Crown Grant of Lafonia, Falkland Islands, and shall commence on the 1st of April, 1937, and terminate on the 31st October 1937.
3. That the taking of Elephant seals shall be restricted to the period 1st April to the 31st May 1937, or to such other period as may be approved by the Governor. That the taking of hair seals shall be restricted to the period 15th May to the 31st December 1937.
4. That in the case of hair seals at least 10% of the adult male seals are left at each rookery. That in the case of elephant seal the killing must be restricted to adult males only and care should be taken that when more than 50 adult males are found 10% are left alive and that when less than 50 adult males are found 25% are left alive.
5. That no pups or females are killed, and that no immature or undersized seals are killed.
6. That the seals are killed in a humane manner and with as little disturbance as possible, and are not to be driven long distance.
7. That the whole carcase of every seal killed is utilised as far as possible for the extraction of oil and that there is no undue waste.
8. That full returns shall be made, monthly, annually and as otherwise required shewing the number of seals killed, the localities from which taken, and the amount of oil produced and such other information as may be required.
9. That this license is not transferable.

I decided to await your mail advices before taking the matter further but in the meantime requested Government to reconsider conditions 9 re transference of license which they have since agreed to do.

No. 792. "LAFONIA" 20/5/17.

I have discussed the matter generally with Mr. Craigie Halkett, who is I think favourable to our views but I understand that H.E. has been advised by Mr. J.E. Hamilton who still appears to be working to make a position for himself in the Colony, should employment by the "discovery" committee come to an end. Mr. Hamilton is at present in England.

Eventually I decided to write to Mr. Craigie Halkett privately and enclose copy of my letter dated 17th May to which I await a reply

11. 1410.17. Falkland & Dependencies Sealing Co. Ltd

Mr. D.R. Watson arrived on 12th inst. and will manage this years Sealing Expedition. s.s. "Fort Albezarle" will be put on the Floating Dock next week and sealing will commence xx mid June

Brooms. Ample on hand

Coal. Fort Edgar with balance of "Fitzroy's" bunkers will be towed from Speedwell Island to Albezarle. I hope to get some more Coronel and Mine Elena from Magallanes end May and end June.

12. 1410.18. Wool. The prices realized in the April Sales were very satisfactory. I regret that the shipment per "Highwaysbury" didn't arrive in time to be included.

A small shipment goes forward per "Lafonia" (19th May) and the balance also Darwin tallow will probably be shipped 25th June.

13. 1410.20. I note the Royal Mail lines have agreed to our issuing 3rd Class return tickets "Tour A".

14. 1410.21. Seal Skins. This matter has been referred to Mr. D.R. Watson.

15. 1410.22. "Toydur" & Lighter Barries Risk on the Lighter Barries terminated about 15th March last. I regret this was not cabled to you. I am cabling you that "Toydur" reverts to port risks on 31st inst.

16. 1410.23. I deeply regret to learn of the death of Mr. C.B. Leslie.

17. 1410.24. Lively Island. I enclose my report and valuation

I fear that most buildings will require considerable repairs but you will doubtless discuss this with Mr. C. M. Goddard.

Fire Insurance If this is transferred to us from the date of Mrs Cobb's death a refund of premium may be due to her estate, which may be adjusted direct with the Royal Insurance Co.

18. 1410.26. Port Line. Noted.

19. 1410.27. Bunkering at Speedwell Island. I regret to report that whilst ^{Fitzroy was bunkering} ex "Port Edgar" at Speedwell on 15th inst. a strong gale sprung up and both vessels dragged for about 2 miles. Eventually "Port Edgar" was put back to her anchorage but both she and s.s. "Fitzroy" suffered damage. A full report and claims will be forwarded as soon as possible. Capt Adair reports this by telephone.

20. With reference to my 791/2. Mr. Alex Pitaluga and Mrs May Turner have requested me to act as their Attorney in the matter of the estate of the late Arthur Bailey Pitaluga which I have agreed to do.

21. Remittances. I shall not require any money at the end of May and probably not end June. It is possible that we may request Government to pay the amount of subsidy due end of June to you in London.

22. P.I.utton. I confirm my telegraphic advice that 100 tons was due London 20th May per "Nebraska".

23. Doctor's House.- Darwin. I note that this is to be framed at Darwin.

24. m.v. "Gentoo" Renewal of keel. This vessel will probably be docked in July. Mr. Barton will engage men to do the work and I have agreed to his employing such of our men as I can spare and he requires. In view of all the circumstances I consider this is the best course to pursue for a job of this nature as we have so few carpenters in our regular employ.

25. 1411/7. F & D Sealing Co. Reorganisation. Mr. D. Watson certainly does appear to have taken rather much on himself

The present position referred to in the final paragraph of Mr. Craigie Baskett (see para. 10 above)

26. 1411.9. "LAFONIA" South Brazil earnings on the voyage Montevideo - South Brazil - Montevideo made in April were **R 500**

On this voyage she is booked for

Montevideo
Buenos Aires
Montevideo
Rio Grande do Sul
Porto Alegre
Buenos Aires
Montevideo
Port Stanley

We have booked 1500 tons wheat Buenos Aires - Porto Alegre and 200 tons tin plates Montevideo - Rio Grande do Sul. The prospects of securing a satisfactory return of cargo are good

I propose to accompany vessel and if further prospects make it advisable shall make another voyage later.

27. 1411.12. The excellent prices realised for sheepskins are noted.

28. The Second Farmers Conference was held on 13th, 14th and 15th inst. H.E. The Governor opened the conference after which it was conducted under the Chairmanship of Mr. D. Weir. I attended together with Mr. F. J. Langdon. I enclose copies of H.E. The Governor's and Mr. Weir's opening speeches and of the agenda. Time does not permit of my dealing with the discussions etc. but I understand that ^{a brief} Mr. Weir's will be issued in due course. Mr. Weir conducted the proceedings very well indeed.

29. Coronation Festivities. About 500 sheep visitors came into Stanley, most of them by sea. The 12th day was treated ^{as} a paid holiday and a programme of events was carried through.

The D.E.E. was conferred on Mr. R. C. Cole Evans in view of his services to farming in the Colony and 11 Coronation medals were awarded to various recipients. The weather broke up about the 12th and has steadily deteriorated. A southerly gale was experienced on 14, 15th and another very much worse on 17th inst. Fortunately "Lafonia" was at Agallanes and "Itarey" which had loaded sheep at Darwin on 16th had sheltered at Elester. This has delayed our

our getting visitors back to their Stations but I hope to get
the greater number away on 20th idem.

Yours faithfully,

Manager.

THE MANAGING DIRECTOR

THE FAIRLAND ISLANDS CO. LTD

61 Gracechurch Street

London E.C.3.

ENCLOSURES

1. Despatch No. 793 (under separate cover)
2. Statement on Accounts No. 92
3. Remarks on Accounts No. 92.
4. Store Indent No. 760
5. Remarks on Stores No. 760
6. Engineering Remarks No. 12.
7. Coal Statement - May.
8. Inward Report "Roydur" - Voy. 10, 11, 12.
9. "Lafonia" Radio Accounts.
10. F.I. Gazette - 1/6/37.
11. Coasting Insurances - May.
12. Insurance on Supplies - Declaration "Lafonia" 12/3, 25/4, 12/5.
13. Royal Mail Lines A/c - 24th June.
14. Produce Report "Fitzroy" Voy F.6.
15. Lloyds Survey Report - 8/37
16. Copy of Agenda of Farmers Conference.
17. 2 Envelopes addressed Dr. J.M. Paterson
18. Envelope addressed Miss A. Felton
19. " " Mrs Blake.

CORRESPONDENCE

Copy of
Letters exchanged with Messrs Parker, Ness & Co.
Copies of letters from M.C. Craigie Makkett Esq. O.B.E.

SPECIFICATIONS

Mark	Wool	Skins	Hides
M.A.		8	18
D.H.		49	66
W.C.			53
F S		6	
T.R.	17	2	
S	11	8	100

No. 793 per "Lafonia" via Montevideo 28th June, 1937

P R A C T I C E

1. Acknowledges your No. 1412 and 1413 dated 28th ulto & 9th inst. respectively and confirms our No. 792 dated 28th ulto.
2. Surplus sheep. States number of sheep carried in all, freight earned and amount received by Farmers. Will forward analysis of business by next mail. Reports relations with Gildersleefer very satisfactory.
3. W. J. Hutchinson - Outlet Is. - Notes Board not prepared to let or lease Island.
4. Notes Board will contribute up to £100 to King George V playing fields for children fund.
5. W. J. Pitt. - Pleased to note attitude of Capt. Thomson. Mr. to be relieved by Osborne early in August
6. P. A. D. Peeling Co. - Discussed matter of carriage of oil in bulk with Lasport & Holt's Montevideo Agent who will look into matter.
7. Notes your instructions re financing future operations of Peeling Co. Encloses copies of Mr. Reigie Baskett's letters
8. Government - number of officials has increased.
9. "Boydar" claim for damage to go forward by next mail.
10. Notes you are shipping lorry for store.
11. "Boydar" running costs to be sent next mail.
12. Reports no hope of salvaging any of 100 bales sunk at Foxbay except by diving. Making enquiries if Challen (Govt. V. 1. 2) will dive if Government will permit
13. Port Edgar - London Salvage Assoc. requested us to enquire if Brown & Blanchard would undertake salvage. They replied that they were not interested
14. Thank you for arrangements made re Governor's Bar.
15. S.S. "Lafonia" (Petrol) cargo. Every precaution will be taken when reshipping empty runs.
16. Cabled you to cancel insurance of S.S. "Boydar" as from 1st inst.
17. States produce to be shipped this "Lafonia"
18. Reports arrival of S. Johnson, Chief Officer for S.S. "Lafonia" Agreement to land.
19. Notes Messrs Lunan Fox hope to ship 15 tons from New Zealand to Regalians via Stanley.
20. Annual Accounts - Notes alterations made.
21. Wages - Notes all you write. Agrees this was not proper subject for discussion at Farmers Conference.
22. Port Stanley Mail. Have advised Stock Dept. re this.
23. "Lafonia" Filroy Values. Notes increase made in insured value.

23. "Lafonia" damage to flour & sugar. Reports that matter is being looked into.
24. Remittances. Reports ample funds on hand. Government have been requested to pay you \$1,300 being mail subsidy for quarter ending 30th June.
25. s.s. "Lafonia" boilers were cleaned last voyage - Chief Engineer reports them to be in good order.
26. s.s. "Lafonia" Reports retaining Black's services until end September. Walsh is leaving in July. Bonner to be Chief Steward, Kenney 2nd Steward.
27. Stanley Office Central Heating has been installed & is quite satisfactory
28. Shipping Remarks - Reports movements of s.s. "Lafonia" and s.s. "Roydur". Reports on wool & skins sunk at Foxbay.
29. Thanks you for cabled advice of confirmation of Mr. Young's appointment to Board of Directors.
30. Port Edgar. Encloses copy of letter to London Salvage Assoc: also reports of Mr. J.M. Thomson and Capt Osborne.

SUPPLEMENTARY DESPATCH.

Report on s.s. "Lafonia's" voyage Buenos Aires/South Brazil and return - 26th May - 19th June 1937.

- - - - -

25th June.

37

"LAFONIA" via Montevideo.

793.

Sir,

I have to acknowledge receipt of your despatch no. 1412 & 1413 dated 28th ulto and 1st inst. respectively and to confirm my No. 792 dated 20th ulto.

2. 1412 - 2. Surplus Sheep. 27529 sheep were carried in all of which 477 died on voyage, 27052 being landed at Tres Puentes. Freight earned amounted to £4,056 and Farmers received £6,70 for their sheep. Claim for freight on sheep died will be forwarded by next mail when I will also forward an analysis of this business.

Our relations with Messrs Gildemeister have been very satisfactory throughout.

3. 1412 - 9. F.R. Hutchinson - Motley Island. Note that the Board is not prepared to let or lease this island to anyone.

4. 1412 - 10. King George V playing fields for children. I note that the Board are prepared to contribute up to £100 to this fund and will advise you further in due course.

5. 1412 - 11. E.A.J. Pitt. I am pleased to note the attitude Capt. Thomson has taken in this matter.

Mr. Pitt will be relieved early August and I do not propose to replace him from home at the moment - Osborne will act as Mate of "Pitaroy" for a while.

6. 1412 - 12. F.I. Dependencies Sealing Co. Ltd. I discussed the matter of carriage of oil in bulk with Lamport & Holt's Montevideo Agent who is looking into this matter. Several of

their vessels have deep tanks which can be utilised for the purpose. This is of course, a matter for future years and is, I think, well worth investigating.

7. 1412. 13. Reorganisation of Sealing Co. I note your instructions re financing future operations if this Company is reorganised, which will have my careful attention.

With reference to my 792.10., I now enclose copy of Mr. Craigie Halkett's reply to my letter dated 17th ulto; I shall discuss this matter with him at the earliest opportunity and unless and until we can come to a satisfactory understanding with Government, both as regards sealing in general and our sealing rights, I am of opinion that we can do nothing to stabilise the business.

With reference to Messrs Bischoffs' opinion (their letter dated 17th March page 3 1st paragraph)

"It is, we think, clear that the Crown can by Ordinance restrict or vary the rights conferred by a prior Crown Grant; just as in this country, Parliament could in theory vary the conditions of a lease of Crown lands granted by the Crown, although it is probable that it would never do so.

in view of the last sentence do you not think it might be worth while approaching the Secretary of State for the Colonies in this matter. Our Sealing rights in themselves may not be very important but if they can be modified by legislation our other rights in Lafonia can be dealt with likewise.

8. 1412. 17. Government. The number of officials has actually increased and it remains to be seen whether the Agricultural Dept. can justify itself.

9. 1412. 24 "Roydur" claim for damage. This will go forward
1412. 49 by next mail.

10. 1412. 28. Lorry for store. I note that you are shipping the 8 H.P 5 cwt van which will suit our requirements,

11. 1412. 35. "Roydur" Running costs will be sent you by next mail.

12. 1412. 39 s.s. "Lafonia" scows holding 100 bales sunk at Foxbay.
1413. 4.

I fear that the only hope of ~~knowing~~ salvaging any bales is by diving and I am enquiring if Challen (Govt. P.W.D) is agreeable to dive if Govern-
ment

No. 793 per "Lafonia" via Montevideo 25th June, 1937

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will permit him to do so. I will advise you further in due course.

Port Edgar - 1413. 3. The London Salvage Association requested us to get in touch with Braun & Blanchard enquiring if they would undertake the salvage on a "no cure no pay" basis; they have replied that they are not interested. From all accounts I am of opinion that vessel is a total loss - the tide rises and falls in her and even if she could be got off and patched up so that she could be got into Stanley, I doubt if we could undertake the repairs.

Another southerly gale has been raging since 24th inst (p.m) which will make her position worse. As regards saving gear, I am obtaining offers but there is little of any value to us, for us to take it on.

13. 1412. 41. Governor, Motor Car. I thank you for the arrangements made.

14. s.s. "Lafonia" Naptha (Petrol) Cargo. Every precaution will be taken when reshipping the empty drums. These will probably be lifted in July.

15. s.s. "Roydur" I cabled you to cancel insurance as from ^{12th inst} ~~31st May~~ when vessel will revert to Port Risks.

16. Produce this voyage s.s. "Lafonia" sailing 28th June.

I expect to ship approximately -

800	Bales Wool
150	" Skins
495	Barrels Tallow
215	Hides
23	cases Copper

this clears practically all 1937 produce except for

Swan Island	30 bales
Burnose Head	60 "
Spring Point.	30 "

17. 1412. 45. s.s. "Lafonia", Chief Officer W. Johnson. Arrived per "Arlanza" agreement to hand.

18. 1412. 46. Rams from New Zealand. I note that Messrs Duncan Fox Co. hope to ship 15 Rams for Magallanes via Stanley and that the Company will also be shipping a number.

19. 1412. 47. Annual Accounts. I note the alterations made.

20. 1413. 7. Wages. I note all you write. I agree this was not a proper subject for discussion at the Farmers Conference and am of

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No. 793 per "Lafonia" via Montevideo 25th June, 1937

opinion that it was brought up at the instigation of H.E. and is, I think, inclined to give more attention to the Reform League's view than he will admit.

21. 1413. 11. Port Stephens Bull. I have advised the Stock Dept. re this. Existing Regulations re quarantine (see Live Stock Regulations (Consolidation) 1923 page 103 of the P.I. Gazette for 1923. The Stock Inspector has power to impose such quarantine regulations as ^{he} sees fit.

22. 1413. 12. "Lafonia" Witzroy Values. I note the increase made in insured values.

23. 1413. 13. "Lafonia" damage to flour & sugar. I am looking into this matter.

24. Remittances. I have ample funds on hand and have requested Government to pay you in London £1,300 being mail subsidy for quarter ending 30th June.

25. s.s. "Lafonia" bilers were cleaned during last voyage and the Chief Engineer reports them to be in good condition. A report will be sent to you re this in engineering remarks.

26. s.s. "Lafonia" - Wireless Operator Black. I am retaining his services until the end of September.

Chief Steward Walsh. - is leaving our service in July and am making E. Bonner Chief Steward and Kenney 2nd XKN Steward. Both men are now making a voyage to Pernambuco and back per M.I.L. vessels to gain experience.

27. Stanley Office Central Heating - has now been installed and is quite satisfactory.

28. Shipping Remarks, s.s. "Lafonia" Continuing paragraph No 16. of Despatch No. 792 "Lafonia" duly arrived Magallanes on the evening of 19th May and sailed just after midnight for San Carlos Fox Bay and Montevideo ^{Coronation} with some 200 return passengers besides those for Montevideo and U.K. Rendezvousing with s.s.

No. 793 per "Lafonia" via Montevideo 25th June, 1937

"Roydur" outside Port Howard she took in 49 Port Howard Bales and finally left Falkland Sound 3 p.m. 21st May, with, in all, 77 bales wool 13 bales skins and 5 sundry packages. She arrived at Montevideo

on 25th May. She then proceeded to

Buenos Aires
Montevideo
Rio Grande do Sul
Porto Alegre
Pelotas
Rio Grande do Sul
Buenos Aires
Montevideo.

and arrived back at Stanley on 25rd June completing Voy. No. A.B.9 and bringing transit cargo ex "Highland Brigade" which left U.K. 22nd May. The South Brazilian portion of this voyage is dealt with in a separate paragraph.

S.S. "Roydur" left Stanley, voyage R.10., on 19th May, for San Carlos, to transfer "Coronation" passengers from "Lafonia" and take them to Brenton Loch, and then to pick up Port Howard produce and transfer it to "Lafonia" at San Carlos. Actually, the rendezvous with "Lafonia" was made in Falkland Sound, and "Roydur" then proceeded to Port San Carlos to unload some timber, thence to Fox Bay to view the site of the sunken scows ^{with} of Baillon & Stickney wool, thence to Speedwell Is. with passengers where an opportunity was taken to go aboard the stranded "Port Edgar" and bring back news to Stanley. Arrived Stanley 24th May.

Voyage R.11, 26th May, for Berkeley Sound and Salvador Waters with further "Coronation" return passengers - details as per Inward Report enclosed. Returned to Stanley 28th May.

Voyage R.12. 30th May, to North Arm with the last of the "Coronation" passengers, Speedwell Island to land Mr. J.M. Thomson to survey "Port Edgar", thence to Fox Bay to endeavour to salvage the sunken bales and scows by grappling. Meeting with no success with this, the vessel was recalled to Stanley on 8th June. She arrived back on 10th June and the crew discharged on 12th. Being at Fox Bay she took the opportunity of bringing in 34 bales of Messrs Packe Bros. wool.

No. 793 per "Lafonia" via Montevideo 25th June, 1937.

Wool and Skins sunk at Fox Bay. As advised you by telegram, the "Lafonia" scows sank at Fox Bay West on the night of the 20th May with 95 bales Wool and 5 bales of Skins on board, whilst being towed from Messrs Baillon and Stickney's jetty to "Lafonia". Three bales Wool and one of Skins were saved and were brought to Stanley per "Roydur" 24th May. "Roydur" called at Fox Bay 22nd May to lift these four bales and to view the site of the buoyed scows. On his return to Stanley, Capt Osborne reported that he had sounded 5½ fathoms at the site, but ~~XX~~ owing to the high wind and having no appliances he could do no more at that visit. He considered that an attempt at grappling would be worth while.

Copies of telegrams in this connection are enclosed and in view of your instructions "Roydur" proceeded to Fox Bay as soon as circumstances permitted, arriving there 1st June.

Extract of log, dealing with the operations from 1st/8th June is enclosed. Capt Osborne does not think that the fact that the scows mooring post broke away at the first strain hindered the operations, ^{as} duly as he was quite sure he kept the site located all the time. He reports, however, that the site is covered by masses of kelp, with a good percentage of tree kelp.

With regard to the four bales brought to Stanley per "Roydur" we enclose the report on their condition made at the tie they were opened up in Stanley.

29. I have to thank you for the cabled advice of confirmation of my appointment to Board of Directors.

30. Port Edgar We enclose copy of letter to London Salvage Association and reports of Mr. J. D. Thomson and Capt Osborne in this connection.

I am,

Sir,

Your obedient servant,

Manager.

SUPPLEMENT TO
No. 793 REP "Lafonia" via Montevideo 25th June, 1937

Report on s.s. "Lafonia's" voyage Buenos Aires/South Brazil & return
— 26th May — 19th June 1937 — — —

Vessel arrived at Montevideo from South on 25th ulto. and sailed for Buenos Aires 26th p.m. River Plate pilot was embarked at Montevideo and vessel arrived at interseccion where pratique is taken and pilots changed a.m. 27th and in Dock No. 1. alongside Messrs L. Freyfus & Co's elevator p.m. same day. Loading commenced next day and was completed 30th a.m. vessel sailing about noon with 1500 tons grain and some general cargo for Porto Alegre. A certain amount of overtime and Sunday work was incurred as L. Freyfus were also completing loading another vessel at the same berth.

Vessel arrived at Montevideo a.m. 31st and sailed p.m. same day having shipped 200 tons tin plates for Rio Grande do Sul. Arrived Rio Grande 2nd June, discharged tinplates and sailed 3rd for Porto Alegre, arriving there 4th idem when discharge commenced. This was completed on 7th idem when vessel moved berth and commenced loading completed and sailed p.m. 9th arrived Pelotas next morning, loaded about 100 tons rice and sailed a.m. 11th, called Rio Grande and left that night for Buenos Aires arriving in berth p.m. 13th.

Discharge commenced next morning and on completion of "Deposit" cargo vessel shifted to a berth in the River Anchulo for what is known as "Barrecao"; discharge, "Deposit" = Dock Warehouse, Barracas = direct discharge to consignee carts.

Vessel sailed for Montevideo p.m. 18th and arrived there a.m. 19th sailing for Stanley same evening.

Cargo handled

Buenos Aires - Porto Alegre	1530 Tons
Montevideo - Rio Grande do Sul	200 "
Porto Alegre - Buenos Aires	1100 "
Porto Alegre - Port Stanley	300 c/s Oranges
Pelotas - Buenos Aires	400 Tons
Buenos Aires - Port Stanley	30 "
Montevideo - Port Stanley.	300 "

I have not yet received the several accounts covering Port expenses at Buenos Aires, Montevideo and South Brazil Ports, but fear that, in view of the overtime worked, we only covered expenses.

Supplement No. 793 via Montevideo per "Malonia" 25th June, 1921

Notes on Ports.

Buenos Aires. is an expensive port to work at, pilotage and tugs being particularly heavy. Work is not very good and the equipment of the port is inadequate and antiquated. Officialdom is highly developed and customs and other regulations are fairly rigorous. No unusual difficulties were encountered.

Rio Grande do Sul. A fairly good port to work at. Vessels bound inwards receive pratique and pilot here. If vessels drawing over 15 ft. cannot leave for Porto Alegre about 2 or 3 hours before dark, they usually wait till next day owing to the difficult navigation of the first 20 or 30 miles.

Porto Alegre. Also quite a good port. Vessels drawing 17 ft. can usually arrive and leave this port especially in winter.

Work does not go very fast at any of these ports except at Pelotas where rice is loaded quickly. Consignees endeavour to restrict landings to the quantity they can cart per day and suppliers are slow in making their cargo ready.

Pelotas. This lies up the river about 30 miles from Rio Grande the water runs out with certain winds which blew the day we arrived there, which delayed our arrival to a certain extent. We were drawn just over 16' and trailed the mud at times. Loading bag cargo is by hand and is quick.

Pilotage. in the Lagoa dos Patos is excellent and the channels are well marked by buoys; Bottom is sand and mud.

Weather. - was fairly good - a day was lost at Porto Alegre and some hours at Buenos Aires due to rain.

Speaking generally conditions of work, regulations etc. are worst in Buenos Aires, better in Brazil, and best in Montevideo.

All Consular requirements are extensive and costly.

The outturn at Porto Alegre was bad - 196 bags short. I am awaiting final outturn.

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Next Voyage. J.R. Williams have booked 1500/1700 tons grain Bahia Blanca and Porto Alegre at 75.75 mg Gold per ton. Vessel is due there 5th July, she will load rice and oranges at Porto Alegre for Buenos Aires.

August and September Voyages. Nothing has yet been arranged.

The Future. After the completion of this winters voyages, I will analyse the results in relation to our future policy and of s.s. "Fitzroy"

In view of average slow rate of loading and discharge, rates are definitely low. Mihanovich who as you know are the most important Argentine shipping Co. approached me whilst I was in Buenos Aires. They are endeavouring to get rates up between the River Plate and Brazilian Ports up to Santos in conjunction with Lloyd's Brazillero and they naturally realise that our occasional voyages may frustrate their efforts. They propose that we come to a working arrangement with them or that they charter our vessel, but I informed them I could not consider any arrangements at present but undertook to discuss the position with them later as regards 1938.

Passengers. I had decided to limit these to 12 between River Plate and South Brazil as vessel does not hold a foreign going passenger certificate. Vessel also requires a certified wireless operator and I am therefore retaining Black till end September.

I am sending you a copy of The Mar River Plate Shipping Manual for 1937 and would specially draw your attention to the section dealing with the various regulations to be observed when visiting an Argentine Port.

Manager.